

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**9:30 a.m. Thursday, December 2, 1999
WestCoast Sea-Tac Hotel, SeaTac**

ATTENDANCE:

President – R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney
Secretary/Treasurer – Si A. Stephens, San Juan County Auditor
Executive Committee –
 Marilyn Breckel, Skamania County Administrative Coordinator
 David Goldsmith, Jefferson County Deputy Director of Public Services
 Leon Long, Adams County Public Works Director
 Steve M. Lowe, Franklin County Prosecuting Attorney
 Mike Shelton, Island County Commissioner
 Melina Wenner, Benton County Risk Manager
State Risk Management – John Nicholson, Local Government Programs
Broker – Mike Croke, ARM, Senior Vice President, Willis Corroon of Seattle
Risk Pool Staff - John Crawford, Executive Director
 Alicia Johnson, Claims Manager
 Jay Winter, Programs Manager

WELCOME and ROLL CALL: President Ron Zirkle called the meeting to order at 9:40 a.m., welcomed all in attendance and noted that a quorum was present.

APPROVAL:

Minutes: Leon Long moved to approve the minutes of the September 16th Meeting in SeaTac. The motion was seconded by Mike Shelton and approved.

Financial Report and Vouchers: Mike Shelton moved to approve the vouchers. The motion was seconded by David Goldsmith and approved.

REPORTS, DISCUSSION AND ACTION:

Board Autumn Meeting: The minutes of the October 21st Meeting of the Board of Directors were included in the materials.

Underwriting Committee: At the Autumn Meeting the Board authorized Mike Croke and Willis to pursue a three-year (October 1999 to September 2002) program of liability reinsurance with Swiss Re in the \$400,000 excess of \$100,000 layer with a stable rate of \$0.086 per worker hour. Mike Croke reported that Swiss Re has agreed to offer the three-year program. Marilyn Breckel moved to approve the three-year program with Swiss Re. The motion was seconded by David Goldsmith and approved.

John Crawford stated that nine member counties had waived the UIM coverage in the last month. They join eight other counties that have already waived it, leaving seven counties with the coverage. Of those seven, Whatcom and Spokane Counties have high deductibles that equal or exceed the \$100,000 amount of UIM coverage provided. John will contact those counties to learn if they are still interested in the coverage, or whether they want to waive it. The waiver begins at 12:01 a.m. on the date after the written election to waive is received by the Risk Pool. Steve Lowe moved to extend that deadline until January 31st to allow those counties the opportunity to decide. The motion was seconded by Marilyn Breckel and approved.

Property Program: Mike Croke has developed a renewal date list and will market the property program first to member counties that have renewals in the Winter.

Broker Services: John Crawford reported that he had negotiated with Willis to extend the services contract to be co-extensive with the three-year liability reinsurance program. Willis will continue to perform eight casualty risk control analysis reviews of Pool member counties annually. Additionally, Willis will perform annual property and fairgrounds safety inspections for those members that elect to participate in the property and fairgrounds / special events programs. Mike Shelton moved to approve the broker services contract as proposed. The motion was seconded by Si Stephens and approved.

Claims: Alicia Johnson said that we are still waiting for a letter from our attorney before we can resolve the issue with Discover Re. If the letter is not forthcoming, the Pool President will write him to request the letter.

Alicia also reviewed the 115 large losses (incurred over \$100,000) that we have had since our beginning. In all, the 115 large losses cost \$46 million, or an average of \$400,000 per case. That includes the county deductible, Risk Pool SIR layer, and reinsurance. There have been 13 losses in excess of \$1 million (about 1 per year) – 4 automobile, 1 employment practices, 6 road cases, and 2 law enforcement. Our most expensive loss was an auto collision that cost \$2.3 million.

There have been 19 large automobile losses costing \$9.8 million and representing 21% of the large losses. There are 15 large public officials errors and omissions, generally regarding land use and permit errors, costing \$4.4 million (10% of large losses). There are 19 large employment practices losses costing \$6.2 million (13% of large losses). There are 43 large general liability losses, mainly from road design and maintenance, costing \$17.5 million (38% of large losses). There are 18 law enforcement losses costing \$8 million (17% of large losses).

Strategic Planning: David Goldsmith reported that Ken Lynn had completed an organizational development process report which included drafts of the strategic plan, operational plan, performance management system and year 2000 performance objectives. Marilyn Breckel asked if the Executive Committee could have a work session to develop the process and plans, then submit them to the Board for approval. The work session will be in January before the Board's Winter Meeting.

Risk Management Committee: David Goldsmith reported that the Risk Management Committee will meet on January 25th, the day before the Winter Board Meeting. There were three Risk Manager Roundtables last month in Cowlitz, Benton and Jefferson Counties. Jay Winter has sent risk manager self-assessment surveys, and the Risk Management Policy will be reviewed for possible revisions.

Programs: Jay Winter reported on member counties contingency planning activities around Y2K, including computer center, law enforcement, and public works readiness on December 31st. Jay also asked the Executive Committee to approve the Skid-Car grant request from the member counties in the Puget Sound area. Steve Lowe moved to approve the Skid-Car grant application

from the Mason County Sheriff on behalf of the member counties in the Puget Sound area. The motion was seconded by Mike Shelton and approved.

Finance Committee: Si Stephens showed projected revenue shortfalls and Executive Director proposed expenditure cutbacks. The Finance and Executive Committees will monitor revenues and expenditures further before proposing and budget changes.

Actuary Reserve Report: Kevin Wick discussed the results of his reserve report of October 14th. He also discussed the future and direction of pooling and gave some insightful comparisons between public pools and commercial insurance. John Crawford followed and showed pool comparisons with two city pools using worker hours and premiums.

Personnel Committee: Ron Zirkle said that in reviewing the issue of new employee placement on the salary schedule, that some flexibility needed to be maintained. He recommends that this be reviewed within the context of an actual new hire and the budget at some later date.

Technology Plan: John Crawford discussed technology upgrades and timetables regarding member relations, and marketing to non-members.

Impact of I-695: Copies of the new "Son of I-695" Initiative and an attorney general memorandum of October 21, 1999 were included in the meeting materials.

AGRIP Recognition Application / Standard & Poor's Rating of Pools: John Crawford reported that the Risk Pool was at the end of its 3-year recognition period and a new application should be submitted. He also mentioned that Standard & Poor's has developed public entity pool rating criteria. The Washington Cities Insurance Authority had been a test program and had been assigned a financial strength rating of A+. In light of I-695, John recommended that the Risk Pool wait before considering whether to seek an S&P rating.

Committee Members: Given the lateness of the meeting, committee member reports were not given.

ADJOURN: With no further business, the meeting was adjourned at 2:24 p.m.

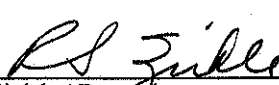
FUTURE EXECUTIVE COMMITTEE MEETINGS:

Thursday, March 16, 2000 at WestCoast Sea-Tac Hotel

Tuesday, June 27, 2000 at Ocean Shores (before WSAC Summer Convention)

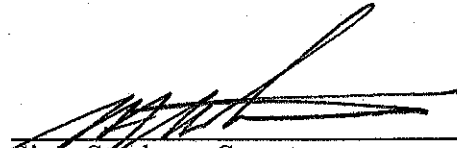
Wednesday, October 4, 2000 at Kennewick (during WACO Annual Conference)

MINUTES APPROVED: 01 / 13 / 2000


R. S. Zirkle, President

[BOARD-L/L-M-12-minutes.doc]

Attest:


Si A. Stephens, Secretary