

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE
MINUTES**

**9:45 a.m. Friday, March 21, 2003
Red Lion Hotel Seattle Airport, SeaTac**

ATTENDANCE:

Secretary- Leon Long, Spokane County Risk Manager

Executive Committee –

Vyrle L. Hill, Pacific County Administrative Officer

Mike Shelton, Island County Commissioner

Si A. Stephens, San Juan County Auditor

Craig L. Vejraska, Okanogan County Commissioner

R. S. Zirkle, Yakima County Prosecuting Attorney

Broker – Mike Croke, Senior Vice President, Willis Corroon Corporation of Seattle

Risk Pool Staff - John Crawford, Executive Director

Alicia Johnson, Claims Manager

Jay Winter, Programs Manager

WELCOME and ROLL CALL: Secretary Leon Long called the meeting to order at 9:45 a.m., took a roll call, and announced that a quorum was present. President Steve Lowe was unable to make the meeting because of a criminal sentencing that he had to attend. Rose Elway and David Goldsmith were out of state and unable to attend.

APPROVAL:

Minutes: Mike Shelton moved to approve the minutes of the February 20th meeting at SeaTac. The motion was seconded by Craig Vejraska and approved.

Vouchers: Ron Zirkle moved to approve the vouchers (Administration: check numbers 11151 through 11236 totaling \$70,330.40 and transfers in the amount of \$5,068.74; and Claims: check numbers 12972 through 13164 totaling \$1,790,179.52). The motion was seconded by Si Stephens and approved.

Douglas County: Mike Shelton moved to approve the Interlocal agreement and Joint Self-Insurance Liability Policy with Douglas County. The motion was seconded by Craig Vejraska and approved.

REPORTS, DISCUSSION and ACTION:

Claims: At 10:00 a.m., the acting chair conducted the meeting in executive session in accordance with RCW 48.62.101, to discuss litigation and settlement of claims. Public discussion would impair the Risk Pool's ability to conduct its business effectively; and/or it was for the purpose of setting reserves. The Executive Session was concluded at 10:23 a.m.

Broker Report: Mike Croke was thanked for arranging a dinner meeting on Thursday, March 20th with C.V. Starr Vice President and Seattle Branch Manager David Imbler about our reinsurance placement and renewal.

Reinsurance & Actuary Specs for 2003-2004: John Crawford stated that we may have insufficient assets to pay a catastrophic large loss and asked if the committee wanted to consider changing to excess insurance rather than reinsurance. Depending on the retention level, the Pool would give up broad policy coverages and claims control when using excess insurance. He also asked if committee members had suggestions for revising the reinsurance and actuary specification for the upcoming year. After discussion and rejection of the excess insurance option, the committee asked Mike Croke to first get quotes for our renewal, then ask for other reinsurance options, including quota share and stop loss programs. He was also asked to negotiate a quick payment plan with the reinsurance companies. We will ask our actuaries if our loss projections change depending on whether losses are mathematically capped at \$100,000, \$250,000 or \$500,000.

Interlocal Agreement: John Crawford reported that the state auditor and state risk manager have responded favorably to his inquiry about extending membership to WSAC and WACO, based on the ruling of the court of appeals in the *Telford vs. Thurston County, et al.*, decision in 1999.

Joint Self-Insurance Liability Policy: John Crawford reported that the state DOC and King County recently settled a wrongful death lawsuit for \$3.1 million for the criminal acts of an unsupervised and violent sex offender. He also reported that the state DOC lost a court of appeals decision in the \$22.4 million Paula Joyce lawsuit. Interest for the 30 months between the jury trial and appellate decision could add another \$6.72 million! He asked whether the committee wanted to recommend excluding coverage for District and Juvenile Court pre-trial release or post-conviction optional supervision by counties. The committee decided that the programs had merit, were supported by the courts, and have not had significant losses to date.

John Crawford also reported that jail medical services are being provided by physicians that do not have malpractice coverage for those activities. He will check with member counties to see how widespread the exposure is, and report back to the committee.

Programs Report: Jay Winter reported that he has been visiting member counties to install the RiskMaster computer software. He will add several more counties in the next few weeks.

Supplemental Revenues: John Crawford reported unbudgeted revenues of \$34,276 from leasing a part of the building to the Community Transportation Association of the Northwest and premiums from the Clark County Health Department and Douglas County. He requested authority to supplement several lines in the budget. Vyrle Hill moved to recommend authorization of the additional spending. The motion was seconded by Si Stephens and approved.

Finance Committee Report: Finance Committee Co-chair Vyrle Hill reported that the committee held a telephone conference on Friday, March 7th. Minutes of the conference call were included in the meeting materials. Based on the committee's recommendation, Vyrle Hill moved that the Executive Committee recommend that the Board formally close the first five policy years, credit surpluses to qualifying current members, amend and increase the retroactive assessments approved in 1999, collect the new retro balance either with an advance payment plan with discount features, or in equal amounts over the next six years (with revisions if necessary), with the 2003 installment billed in April, and the 2004 and subsequent installments

billed in December for payment in late December or January, at the option of each county. The motion was seconded by Si Stephens and approved.

Future Meetings:

June 26, 2003 (Thursday), Spokane (WSAC Summer Conference)

September 30, 2003 (Tuesday), SeaTac (WACO/WSAC Joint Conference)

With no further business, the meeting was adjourned at 1:47 p.m.

MINUTES APPROVED: _____ / _____ / 2003



Steve M. Lowe, President

Attest:



Leon Long, Secretary