

**WASHINGTON COUNTIES RISK POOL  
EXECUTIVE COMMITTEE TELEPHONIC MEETING MINUTES  
9:30 AM, Friday, July 19, 2013**

**PARTICIPATING:**

President – Mark Wilsdon, Director – Clark County Risk Manager (*joined at 9:37 am*)

Vice President – Tammy Devlin, Alternate Director – Thurston County Risk Manager

Secretary/Treasurer – *Not Available*

Other Executive Committee Members Participating –

Bryan Perry, Alternate Director – Benton County Safety & Training Officer (*until 10:26 am*)

Keith Goehner, Director – Chelan County Commissioner

Thad Duvall, Alternate Director – Douglas County Auditor (*joined at 9:36 am*)

Dean Burton, Director – Garfield County Commissioner

David Alvarez, Alternate Director – Jefferson County Civil DPA

Lisa Young, Director – Kittitas County Human Resources Manager

Vyrle Hill – WCRP Executive Director (*ex-officio*)

PricewaterhouseCoopers, LLP (Actuary) –

Craig Scukas, Director

Arthur J. Gallagher RMS, Inc. (Producer) –

John Chino, Area Senior Vice President (*joined at 9:43 am*)

Elizabeth Miser, Area Vice President

Risk Pool Staff –

David Goldsmith – Member Services (*until 10:40 am*)

Jill Lowe – Loss Control Coordinator

Stacey Spears – Administrative Assistant

**Welcome and Roll Call:** As President Wilsdon had not yet joined the conference call, Vice President Devlin called the telephonic meeting to order at 9:35 am. She confirmed a quorum with six out of the eleven committee members participating at that time. NOTE: Upon joining the telephonic meeting, President Wilsdon asked Vice President Devlin to assist with conducting this meeting as he was participating without the aid of the meeting's agenda and reference documents.

**Agenda:** Vice President Devlin asked for any changes or additions to the earlier circulated agenda. As there were no changes, Ms. Young moved and Mr. Alvarez seconded for approval of the preliminary agenda; *the motion passed.*

**Consent Agenda:** Mr. Goehner moved and Mr. Burton seconded for approval of Item 1 on the meeting's Consent Agenda, i.e. "Minutes of the July 10-11, 2013 Executive Committee meeting." *The motion passed.* Mr. Goehner then moved and Ms. Young seconded for approval of Items 2 and 3 on the meeting's Consent Agenda, i.e. "Voucher Approval Request No. 13-05, more specifically check numbers 7315 through 7408 (administrative) and 36479 through 36626 (claims) totaling \$3,773,826.59 with transfers of \$48,440.83" and "Claims Settlement Confirmation No. 2013-07-19, more specifically Maytown Sand & Gravel / Port of Tacoma v. Thurston County"; *the motion passed with Ms. Devlin abstaining.*

**Producer's (aka Broker's) Report:** Ms. Miser presented the 2013 – 2014 Liability Indications for renewal of the liability reinsurance/excess insurance program. Three options were included. Option No. 1 is the same makeup as the expiring program, but with at the cost of \$7,719,697. Option No. 2 divides the \$8M xs \$2M layer into two layers: \$3M xs \$2M and \$5M xs \$5M. Berkley is interested in providing the \$3M xs \$2M layer of reinsurance. The total cost for option No. 2 would be \$7,476,797. Option No. 3 would move the \$8M xs \$2M layer from Lexington to Selective. The final numbers still need to be determined, but Ms. Miser is projecting a cost of \$7,538,317. The different options and carriers were discussed. It was also discussed if the Pool should continue participating in a quota share again this year. It was agreed upon by the Executive Committee not to pursue that option for the upcoming policy year. Mr. Alvarez moved and Ms. Devlin seconded to forward the Producer's Liability

Program Option No. 2 onto the Board for approval with the Executive Committee's favorable recommendation; *the motion passed.*

Ms. Miser then discussed the Washington Counties Property Program ("WCPP") renewal. The option presented by the Producer would be just under a 6% increase (5.5795%). Ms. Miser felt this was a good outcome considering recent claims activity. Lexington asked for 100% of the top layer on the renewal chart (\$300M vs \$200M). Ms. Miser is going to ask Lexington to reconsider. Discussion took place regarding rates and participation. Mr. Hill said final property values are needed before binding the insurance, yet even with the rate increase, this program is likely less expensive than counties would be able to get on their own. Mr. Hill also noted the 6% rate increase along with an increase in values and increased administrative costs to incorporate further appraisals next year, will result in an overall increase likely to be about 9%. Ms. Devlin motioned and Mr. Duvall seconded to forward the Producer's WCPP renewal recommendation as presented to the Board for approval with the Executive Committee's favorable recommendation; *the motion passed.*

Finally, Ms. Miser presented information on Cyber Liability Insurance plans from AIG and XL. Discussion and clarifications were offered regarding 1<sup>st</sup> and 3<sup>rd</sup> party liability. Coverages, risks and pricing were discussed. It was noted the members get a better rate for cyber liability coverage if the group participates as a whole, rather than a county by county optional program. Mr. Hill recommended engaging the Underwriting Committee in the discussion before proceeding on 3<sup>rd</sup> party coverage. Mr. Chino agreed but noted that based on his experience with other Pools that regulatory liability certainly should be requested as an inclusion. Mr. Hill passed along Mr. Bartel's suggestion (as Mr. Bartel was unable to attend today's meeting) to not move forward on cyber liability at this time. Mr. Wilsdon thought it might be too early to ask the Board for a decision and further discussion with the Board should take place. Mr. Duvall motioned and Mr. Alvarez seconded to advance the cyber liability options as presented to the Board for discussion at the Board Meeting next week without a recommendation; *the motion passed.*

**JSILP Assessment Allocation:** Mr. Scukas and Mr. Hill noted the worksheet for the assessment allocation will change favorably with regards to the rate stabilization fund based on Liability Option No. 2 presented today. Mr. Hill informed the group that he was informed this week that Skagit County will likely lower its deductible from \$500k to \$100k. Ms. Miser noted she is waiting to hear back from the reinsurers regarding the premium change due to the deductible change. In response to questions, it was noted by Mr. Hill and Mr. Scukas that Skagit County's adjusted assessment should nearly absorb the rate increase. Mr. Scukas explained that there will be some slight re-shuffling of numbers for the administration expenses, but there will be no major changes for the other members. Mr. Hill reported there might be other counties that change their deductibles, but nothing nearly as significant that will impact rates. Mr. Hill noted there was no action required at this point regarding the assessment allocation.

#### **Standing Committee Reports / Action Items**

- **Finance** – Chair Duvall had nothing to report.
- **Personnel:** Chair Young reported that the Personnel Committee reviewed the job description for the proposed Office Assistant position, and that the Committee recommends changing the minimum qualifications to reflect a HS Diploma/GED plus one year of administrative/office experience. The Committee further recommends assigning the position to the salary schedule using the expanded range (rose colored band with Step 1 at \$2,507 per month) as circulated. Mr. Duvall moved and Mr. Goehner seconded to forward both the Office Assistant job description as modified by the Personnel Committee and the assignment of the position to the salary scheduled as noted to the Board for approval with the Executive Committee's favorable recommendation; *the motion passed.*
- **Risk Management:** Chair Perry had already disconnected from the teleconference so there was no report.
- **Underwriting:** Due to telecommunications difficulties, Chair Woods was unable to participate in the teleconference so there was no report.

**Staff Reports**

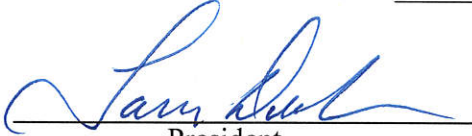
- **Executive Director Hill** noted on Tab #10 for the meeting, he recommends maintaining the current optional Excess Liability Policy allocation methodology with adjustment for the 5% rate increase. There were no objections. Mr. Hill had nothing further to report on Tab #11 for the WCPP Assessment/Allocation as this had been covered earlier in the meeting. Mr. Hill then reported that he is still waiting for further information from Wahkiakum County regarding their loss histories.
- **Loss Control Coordinator Lowe** had nothing to report.

**Officer and Committeeperson Reports:** Nothing further reported.

**Upcoming Meetings and National Trainings:** Mr. Hill mentioned the dates for the Autumn 2014 Conference were now finalized as November 12-14, 2014 in the Vancouver, WA area. He asked for input regarding a preferred facility, either the Hilton or the Heathman Lodge. It was determined that the Hilton was the preferred location.

**Adjournment:** With this meeting's business addressed, Mr. Alvarez moved and Mr. Duvall seconded to adjourn the meeting at 10:50 am. The meeting was adjourned by Vice President Devlin.

MINUTES APPROVED this 1<sup>st</sup> day of November, 2013.

  
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President

Attest:   
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Secretary/Treasurer