

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE
TELECONFERENCE MINUTES
2:00 PM, Thursday, July 23, 2009**

ATTENDANCE:

President – Mark Abernathy, Director – Kitsap County Risk Manager
Secretary/Treasurer – Jay Winter – Walla Walla County Personnel / Risk Manager
Executive Committee Members –
 Keith Goehner, Director – Chelan County Commissioner
 Steve Clem – Douglas County Prosecuting Attorney
 Rose Elway – Grays Harbor County Director of Management Services & Budget
 Lee Grose – Lewis County Commissioner
 Andrew Lampe, Okanogan County Commissioner
 Marilyn Butler – Skamania County Administrative Services Director
 Steve Bartel – Spokane County Risk Manager
 Tammy Devlin, Thurston County Risk Manager
 Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney
 Vyrlle Hill – WCRP Executive Director (*ex-officio*)
Risk Pool Staff –
 Susan Looker – Claims Manager
 David Goldsmith – Member Services
 Claire Thompson – Claims Assistant
Others –
 Michael Croke, Area Senior Vice President – Arthur J. Gallagher RMS, Inc.
 Elizabeth Miser, Area Vice President – Arthur J. Gallagher RMS, Inc.
 Kevin Wick, Managing Director – PricewaterhouseCoopers, LLP
 Craig Scukas, Director – PricewaterhouseCoopers, LLP

Call to Order, Welcome, Roll Call and Agenda: President Abernathy called the teleconference to order at 2:02 p.m. Through voice announcement by the telephonic participants, he confirmed a quorum of the Executive Committee was participating. No changes were proposed to the agenda.

Minutes: Randy Watts moved for approval of the Executive Committee minutes of the July 16, 2009, meeting held at the Radisson Hotel Gateway Seattle-Tacoma Airport, SeaTac; Rose Elway seconded. *The motion passed without dissent.*

Claim Settlement Confirmation: None pending.

Actuary's Recomputed Deposit Assessment Distribution (with 7/16/09 revisions): Executive Director Hill reviewed the recomputed assessment distribution spreadsheet, noting most of the anticipated increases are in the reinsurance \$9.5M x \$500K layer. No further action was required.

Producer's Renewal Update: Mike Croke presented information regarding renewal of the policies. ACE will renew \$400K x \$100K with corridor at the same price as last year. It appears all the other layers of coverage will be increasing significantly, but remain under negotiation. Mike noted the quotes for liability and property coverage appear to be significantly greater than last year due to the general insurance market conditions (~15%) and the experience of the Pool (~85%). He believes negotiations are going in the right direction – downward. Regarding property insurance, Mike indicated the reserves for the bridge flood losses of 2007 have had a negative impact on the quotes he is receiving. A discussion regarding bridge coverage followed his remarks; coverage limits for bridges will need to be clarified for future quotes.

Nominating Committee: Executive Director Hill shared an email he received from Mark Wilsdon to Jay Winter expressing interest in the Executive Committee openings. Jay Winter moved to reopen the matter and include Mark Wilsdon along with the four others the Nominating Committee already agreed to recommend to the Board for nomination; Rose Elway

seconded, followed by a lively discussion regarding the composition and balance of the Executive Committee. The motion passed with Randy Watts abstaining for appearance since he is one being recommended.

Lee Grose left the meeting at 2:47 p.m.

Competitive Solicitation for Pool Service Providers: During the Executive Committee meeting on July 16th, action was taken to recommend amending the bylaws regarding competitive solicitation for Pool service providers. This item on the agenda finalized the amendment and the changes to the Financial Management Policy. Marilyn Butler moved to recommend approval to the Board of the bylaws amendment and the changes to the Financial Management Policy; Jay Winter seconded, and the motion passed without dissent.

Cellular Telephone Policy: Jay Winter moved to recommend approval of the Cellular Telephone Policy, with 7/16/09 revisions, to the Board; Steve Bartel seconded and the motion passed without dissent.

Py2010 Budget (with 7/16/09 revisions): Executive Director Hill presented updated information to incorporate the Executive Committee's directive to remove the increase of \$29,850 in Intergovernmental Services in the Py2010 budget. No further action was required.

Wahkiakum County Membership Offering: On July 16th, the Executive Committee voted to extend membership to Wahkiakum County. Executive Director Hill noted that, according to the Pool's bylaws (Art. 7A.1) and the Underwriting Policy (Sec. B.4) the decision to extend membership for counties with populations less than 125,000 is delegated to the Executive Committee. Because there may have been a perception that the July 16th vote was to approve a recommendation to the Board, this matter was reopened. Randy Watts moved to extend membership to Wahkiakum County; Tammy Devlin seconded. During discussion, Steve Clem expressed concerns about offering membership due to their potential E&O exposures. The motion passed with one dissent.

Jay Winter left the meeting at 3:08 p.m.

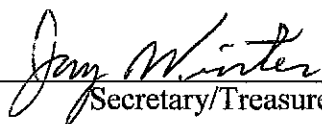
Use of Equity for Premium Relief: Rose Elway asked for the Executive Committee's time to discuss the anticipated increase in premiums and the potential use of equity to relieve some of the increase. Executive Director Hill indicated Section D of the Pool's Underwriting Policy was enhanced by Board action during the 2007 Spring Meeting so that net assets need to average an equivalent 98% confidence factor over a 5-year period with no year during that period being less than an equivalent 85% confidence factor. If the Board wants to use some of the equity to achieve stabilization of premiums, the confidence level requirements will need to be addressed. A discussion followed regarding ways to apply equity to premiums. President Abernathy requested a new Deposit Assessment Distribution analysis based on using some equity, with a confidence level not less than 90%. The committee agreed to discuss the matter at the Summer Conference before the Board Meeting after new information is received from Mike Croke regarding insurance renewals and from Kevin Wick regarding assessment distribution. Randy Watts moved to meet in Leavenworth on July 29th at 3:30 p.m.; Rose Elway seconded and the motion passed without dissent.

Adjournment: Rose Elway moved for meeting adjournment; Randy Watts seconded, and the motion carried. President Abernathy adjourned the meeting at 3:35 p.m.

MINUTES APPROVED this 29th day of July, 2009.



President

Attest: 

Secretary/Treasurer