

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING MINUTES**

8:30 AM, Thursday, June 16, 2011

Red Lion Hotel, 18220 International Blvd, SeaTac, Washington

ATTENDANCE:

President – Marilyn Butler, Alternate Director – Skamania County Risk Manager

Secretary/Treasurer – Steve Bartel, Director – Spokane County Risk Manager (*late arrival*)

Executive Committee Members –

Keith Goehner, Director – Chelan County Commissioner

Mark Wilsdon, Director – Clark County Risk Manager

Rose Elway, Alternate Director – Grays Harbor County Director of Mgmt Services & Budget

Lee Grose, Director – Lewis County Commissioner

Andrew Lampe, Director – Okanogan County Commissioner

Tammy Devlin, Alternate Director – Thurston County Risk Manager

Jay Winter, Director – Walla Walla County Personnel / Risk Manager

Randy Watts, Director – Whatcom County Chief Civil Deputy Prosecuting Attorney

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

Risk Pool Staff –

Susan Looker – Claims Manager

David Goldsmith – Member Services

Jill Lowe – Loss Control Coordinator

Others –

Kevin Wick, Managing Director – PwC LLP

Craig Scukas, Director – PwC LLP

Michael Croke, Area Senior Vice President – AJGRMS, Inc.

Elizabeth Miser, Area Vice President – AJGRMS, Inc.

Welcome, Roll Call and Agenda: President Butler called the meeting to order at 8:35 a.m. and welcomed those attending. She announced that she could confirm visually that a quorum of committee members were present. She then asked if there were any changes to the preliminary agenda that had been circulated; a reciprocating agreement with WCIF was recognized and added during the Staff Reports / Action Items.

Minutes: T. Devlin moved and L. Grose seconded for approval of the minutes as presented of the March 24, 2011 Executive Committee meeting at Suncadia Lodge; *the motion passed without dissent.*

Vouchers: R. Watts moved and R. Elway seconded for approval of Voucher Approval Request No. 11-03, more specifically check numbers 4740 through 4992 (administrative) and 31350 through 31876 (claims) totaling \$3,043,783.37 with transfers of \$150,413.95; *the motion passed without dissent.*

Claims Settlement Authorizations: R. Watts moved and R. Elway seconded for approval of Claims Settlement Confirmation No. 2011-6-16 which included Ivan v. Adams County, Yahne v. Benton County, and Case et al v. Clallam County et al.

Quarterly Financial Reports: Executive Director Hill summarized the Second Quarter Py2011 financial reports. He noted Assets of \$27.7 million, Current Liabilities of \$17.4 million, and Net Assets of \$10.3 million, enough to satisfy the confidence level restrictions in the Pool's policy and still leave nearly \$3.3 million. He noted Operating Income was nearly \$60,000, that 44% of the operating (administrative) budget had been expended, and that the Pool passed both SRM and the Pool's own solvency tests. R. Watts moved and A. Lampe seconded to approve the 2Q-Py2011 Financial Reports; *the motion passed without dissent.*

State Risk Manager Report: LGSI Program Administrator Stuber was unable to attend. ED Hill reported that S. Stuber conducted the triennial field examination of the WCRP with S. Colbo, J. Lowe and S. Looker also being interviewed. The SRM Report hasn't yet been published.

Actuary's Report: K. Wick and C. Scukas presented and explained the Actuarial Review of Loss Rates (as of March 31, 2011) with Experience Rating Modifiers for Py2012 and their estimates for increasing the Pool's self-insured retention limits. Craig noted estimates reflecting the need for an overall increase of 6.4% in the rates for the Pool's (\$100,000) SIR and base rates of \$263.07 and \$72.69 per 1,000 worker hours respectively for General Liability and Employment Liability coverage, and \$67.50 per licensed unit for Auto Liability coverage. No action(s) taken.

Steve Bartel joined the meeting at 9:53 a.m.

Producer's (aka Broker's) Report: Mike Croke provided a handout with the six property and six casualty firms presently being considered for the renewal of the WCRP insuring programs. He mentioned that they were looking to move the WCPP to a quota share program by reducing the Lexington involvement and adding other insurers. He said the recent catastrophe losses make it difficult to speculate any renewal rates at this time.

Mr. Croke also mentioned the various underwriting sessions and meetings held in anticipation of the forthcoming program renewal and thanked the EC members and staff that had participated in these activities.

Mr. Croke then presented the AJG Proposal for Risk Control Consulting Services and their request for at least \$57,500 during Py2012 for the proposed "optional services" under the new 2011-13 agreement. He responded to a few questions. No action(s) taken.

President Butler recessed the meeting at 9:57 a.m. and reconvened again at 10:14 a.m.

Nominating Committee: President Butler reported that the Executive Committee terms of L. Grose, R. Elway, K. Goehner and T. Devlin expire October 1, 2011, and that all but R. Elway along with Bryan Harrison (Pacific) informed her of their interest in being nominated for new committee terms. President Butler reported Rose would be leaving the Executive Committee effective with her June 30, 2011 retirement from employment after 30-plus years with Grays Harbor County. She noted the membership announcement (earlier newsletter) included a window through June 15th to inform her as the Nominating Committee Chair of interest in being nominated for a position on the Executive Committee, and then nominations could still be made from the floor during the Annual Meeting. The Committee opinion by consensus was:

1. There was no need for further solicitations for committee candidates; and
2. To recommend that the candidate not presently a Committee member securing the highest Board vote be recognized as elected to the Committee both for the balance of the R. Elway term (from the date of election through September 30, 2011) and for a new, 3-year term commencing October 1, 2011.

President Butler then solicited candidates for the Py2012 officer positions. R. Watts moved and J. Winter seconded to recommend for the Board's consideration S. Bartel for Py2012 President; there were no other nominations. S. Bartel moved and M. Wilsdon seconded to recommend R. Watts for Secretary/Treasurer. After Mr. Watts conveyed his future plans, the motion was withdrawn. M. Butler moved and A. Lampe seconded to recommend L. Grose for the position. M. Wilsdon then moved and S. Bartel seconded to recommend T. Devlin for the position; there were no further nominations. J. Winter moved and S. Bartel seconded to recommend for the Board's consideration both L. Grose and T. Devlin for Py2012 Secretary/Treasurer; the motion passed without dissent.

Standing Committee Reports / Action Items

- **Database Review:** Chair J. Winter reported that this 5-year review committee met. He noted that a more complete report would be provided with the Committee's recommendations during the next Executive Committee meeting.
- **Finance:** Co-chair L. Grose had nothing to report.
- **Personnel:** Co-chair T. Devlin had nothing to report.
- **Risk Management:** Co-chair M. Wilsdon reported the Risk Management Committee was recommending adjustments in scholarships and refining the training focuses and potentially producing webinars covering permitting errors and contract management subjects in the initial draft of the Py2012 Budget for the loss control / training program. He further noted that the Committee was scheduled to meet telephonically later this month to further address next year's activities and needs.
- **Underwriting:** Co-chairs R. Watts and Jay Winter had nothing to report during this meeting.

Staff Reports:

- **Executive Director Hill** presented an Interlocal Agreement creating a relationship between many of the organized pools in Washington State to provide effective and efficient education and information to members of the legislature. Following a brief discussion, S. Bartel moved and M. Wilsdon seconded to approve and authorize the Executive Director to endorse the agreement; the motion passed without dissent.

ED Hill then presented a Draft Emergency Succession Plan for the Executive Director's position along with copies of similar documents just received from/related to AGRiP. President Butler suggested the 2011 Autumn Meeting as a better target for presenting this matter to the Board and directed the matter to an ad hoc committee consisting of the Personnel Committee, M. Butler, M. Wilsdon and J. Winter. T. Devlin was asked to chair this ad hoc committee.

ED Hill briefly presented the "Preliminary" Budget and Staff Salary Schedule for Py2012 with references to the Initial Responses to the March 2011 Claims Audit's recommendations. Following some discussion, J. Winter moved and A. Lampe seconded to refer this matter to the Finance Committee for a more complete review and recommendation(s); the motion passed without dissent.

Finally, **ED Hill** presented a Reciprocating Agreement with the Washington Counties Insurance Fund for temporary (30 days maximum) office space and related accommodations in the case of partial or total destruction of either party's offices. K. Goehner moved and L. Grose seconded to approve and authorize the Executive Director to endorse the agreement; the motion passed without dissent.

- **Claims Manager Susan Looker** reported the final outcomes for three cases with recent settlement confirmations. She also provided a brief Large Loss (+\$100,000) report – 110 cases through May 15th, 101 remain open, 48 estimated to remain within members' deductible levels, and 53 were estimated to penetrate one or more reinsurers' layers. She also reported upon the Pools +\$1 million cases – 32 Pool-to-date with 10 still open. Finally, she gave a quick synopsis of the results of the Joint & Several compilation for the past legislative session.

Andrew Lampe left the meeting at 12:17 p.m.

- **Member Services Manager David Goldsmith** reported that the Py2011 county visitations had begun in earnest with 10 visits already conducted including an initial marketing visit with Ferry County plus 3 one-on-one orientations with member-counties' elected officers. The feedback from these visits remains very good except that one Pend Oreille County thinks the Pool's conferences should occur at less-costly sites/facilities and the savings redirected towards the quality trainings the Pool provides its membership with. He noted further that several more visits would be conducted by month's end with the remaining member visitations scheduled in August. Mr. Goldsmith then reported upon the status of the Franjo Beach (Mason County) property

acquired by the Pool and the efforts taking place now to dispose of the property via public auction this Fall.

- **Loss Control Coordinator Jill Lowe** had nothing to report.

Officer and Committeeperson Reports

- **Rose Elway** was provided a planter along with many thanks and accolades for her nearly 23 years of faithful support of and service to the Pool.
- Several persons, including President Butler, Secretary/Treasurer Bartel, T. Devlin and M. Wilsdon, L. Grose and A. Lampe, and ED Hill and S. Looker reported upon their respective attendances at the AGRiP, RIMS or PRIMA Conferences or the Producer's East Coast underwriting trip. They also shared about their experiences participating in the many meetings with present and prospective underwriters.

Adjournment: With no further business for the Committee to consider, President Butler adjourned the meeting at 12:38 p.m.

MINUTES APPROVED this 7th day of July, 2011.

Marilyn Butler
President

Attest: [Signature]
Secretary/Treasurer