

WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE

MINUTES

Regular Meeting 10:30 a.m.
Friday, December 16, 1988
Washington Cities Insurance Authority
Tukwila, Washington

ATTENDANCE:

President - Bill Vogler, Grays Harbor County Commissioner
Vice-President - Shirley Van Zanten, Whatcom County Executive
Treasurer - Deborah Cone, Kitsap County Director of Internal Management
Secretary - Vyrle Hill, Pacific County Administrative Officer

Benton County - Ray Isaacson, County Commissioner - Dir.
Cowlitz County - Frank Bishop, Budget Director - Alt.
Franklin County - Absent
Jefferson County - Absent
Spokane County - Claude Cox, Safety/Loss Control Manager

Garfield County - Ron Crawford, County Commissioner - Dir.
Kitsap County - Paul Sack, Treasurer's Investment Officer

Washington Counties Risk Pool - John Crawford, Executive Director
- Julie Stewart, Administrative Assistant
Corroon & Black, Inc. - John McCadam, Broker
- Steve Hullin, Broker

The meeting was called to order at 10:40 a.m. by President Bill Vogler. Suggested changes in the order of the agenda were made for the convenience of guests present.

COMMITTEE REPORTS:

Finance Committee:

Financial Report and Voucher Approval:

Debbie Cone distributed copies of the expense voucher, checkbook register and Treasurer's Report. Approval of the expense voucher was deferred until the Broker's report on the excess insurance was presented.

Debbie discussed the Treasurer's Report. She introduced Paul Sack, Kitsap County's Investment Officer, for further presentation of Kitsap County's investment pool and his background.

Pool Investment Policy:

Frank Bishop moved to adopt the Investment Policy and approve the Investment Procedures proposed by the Finance Committee. The motion was seconded by Ron Crawford and approved. Shirley Van Zanten asked about financial internal controls. John Crawford reported that the Pool has been in contact with the State Auditor's office to obtain specific guidelines.

Vyrle Hill moved to authorize the investment of Pool funds through the Kitsap County Treasurer for at least two years. The motion was seconded by Debbie Cone. Ray Isaacson objected procedurally. He noted that the Bylaws give sufficient investment authority to the Pool Treasurer and Finance Committee and there is no need for a motion. Vyrle Hill withdrew his motion and Debbie Cone concurred.

APPROVAL OF MINUTES:

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Claude Cox moved to approve the minutes. The motion was seconded by Shirley Van Zanten and approved.

OLD BUSINESS:

Corroon & Black Report on Placement of Excess Coverage:

John McCadam distributed a chart on the placement of excess liability insurance and reported on the placement of the excess coverages. Corroon & Black is able to place the full excess insurance with International Surplus Lines Insurance Company ("ISLIC"), which is part of the Crum & Forster Group, a Xerox Financial Services Company, and which has an A-XIII Best's rating. The twelve month cost for the two policies as presented will be \$1,350,577.00 plus Washington State taxes of 2.25% and fees. The binders have been given to John Crawford for distribution. John McCadam discussed whether the Pool would want to combine the Pool policy and the two excess policies into a neater package. General Liability, Automobile Liability and Police and Jail Professional excess insurance are on an occurrence basis, and Public Officials Errors and Omissions excess insurance is on a claims-made basis.

Steve Hullin noted that when new counties apply for admission into the Pool, they should complete a modified S. J. Petrakis application form together with an ISLIC Public Officials and Employees Liability Insurance form. Steve Hullin further recommended that new requests to join should be given to Coopers & Lybrand actuaries for review of the effect of their joining on the overall structure of the Pool.

John McCadam noted that two top managers from Crum & Forster would like to meet personally with the Board of Directors in the next few months.

Claude Cox moved to accept the excess insurance placement by Corroon & Black and the premium amount, which is within the authorized range. The motion was seconded by Ron Crawford and approved.

Claude Cox moved to pursue the placement of the final \$1.5 million coverage excess of \$3.5 Million on Errors and Omissions. The motion was seconded by Ray Isaacson and approved.

DISCUSSION:

Washington Cities Insurance Authority Operations:

Washington Cities Insurance Authority Executive Director Lew Leigh and his staff presented an overview of their program and the functions of their individual positions.

Voucher Approval:

Ron Crawford moved to approve vouchered expenses in the amount of \$1,403,928.69, which includes the purchase of the excess insurance, as submitted. The motion was seconded by Frank Bishop and approved.

Executive Committee:

Approval of Pool by State Risk Manager:

John Crawford noted that now that the excess insurance is in place he will contact the State Risk Manager.

Planning Committee:

Directors' Travel Policy:

John Crawford circulated two drafts of the Directors' Travel Policy, with the only difference being on the first page under paragraph C(1)(b): "all member counties shall be reimbursed..." or "all other member counties of the Fourth Class and smaller shall be reimbursed..."

Ray Isaacson moved to add to the policy that Executive Committee Meetings be held near Sea-Tac Airport with the understanding that, when possible, Executive Committee meetings be held with meetings of county associations like WSAC. The motion was seconded by Ron Crawford and approved.

Shirley Van Zanten moved to adopt the Directors' Travel Policy with an understanding that upon the member county's request, member counties whose committee members' travel costs exceed \$100.00 per committee meeting be reimbursed the difference. Debbie Cone amended the cost to \$50.00. The motion was seconded by Vyrle Hill and approved.

Selection of Pool Risk Manager:

John Crawford noted that interviews were conducted on December 9th and references are being checked.

Operations Committee:

Incurred Incidents and Claims:

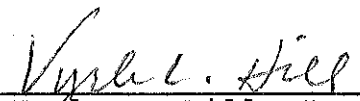
A summary was circulated showing that thirty-six (36) incidents and claims have been reported by member counties since October 1st.

Pool Risk Management Program:

The Risk Management Program will proceed after the Pool's Risk Manager is hired.

The meeting was adjourned at 2:20 p.m.

RESPECTFULLY SUBMITTED:



Vyrle L. Hill, Secretary

APPROVED: 3, 24, 1989



William F. Vogler, President