

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS
AUTUMN MEETING**

MINUTES

**8:30 a.m., Thursday, November 9, 2000
WestCoast Gateway Inn, Yakima**

ATTENDANCE:

President – Si A. Stephens, San Juan County Auditor
Secretary/Treasurer – Mary Jo Cady, Mason County Commissioner
Executive Committee –
Marilyn J. Breckel, Skamania County Administrative Services Manager
David Goldsmith, Jefferson County Deputy Administrator
Vyrle L. Hill, County Administrative Officer
Steve M. Lowe, Franklin County Prosecuting Attorney
Mike Shelton, Island County Commissioner
Melina Wenner, Benton County Risk Manager
R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney
Adams County – Linda Reimer, Clerk of the Board – Alternate
Clallam County – Marge Upham, Director of Personnel & Risk Management – Director
Toni Gilbert, Safety/Training Specialist
Columbia County – Scott Smith, County Engineer – Alternate
Cowlitz County – Clyde W. Carpenter, Risk Manager – Alternate
Franklin County – Neva J. Corkrum, County Commissioner – Director
Grays Harbor County – Rose Elway, Director of Management Services – Alternate
Mary Davis, Deputy Director of Management Services – Alternate
Island County – Betty Kemp, Director of General Services Administration – Alternate
Kitsap County – Barbara Razey, Risk Manager – Director
Klickitat County – James Hagarty, Prosecuting Attorney – Director
Lewis County – Russ Wigley, County Commissioner – Director
Mason County – Ione Siegler, Director of Budget and Finance – Alternate
Pacific County – Janet Corey, Risk Manager – Alternate
Spokane County – Leon Long, County Risk Manager – Director
Thurston County – Judy Wilson, County Commissioner – Director
Chris Curtis, Acting County Risk Manager – Alternate
Whitman County – Richard Brown, Director of Administrative Services – Director

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: The meeting was called to order at 8:45 a.m. by President Si Stephens who welcomed all in attendance and noted that a quorum was present. He asked everyone around the table to introduce him or herself.

Committee Meetings: The Board Meeting followed Finance, Risk Management and Underwriting Committees meetings in Yakima on Wednesday, November 8th from 2:00 p.m. until 5:00 p.m.

APPROVAL:

Agenda: The agenda was approved as presented.

Minutes: Vyrle Hill moved to approve the minutes of the July 21st Meeting at Leavenworth. The motion was seconded by Ron Zirkle and approved.

REPORTS, DISCUSSION AND ACTION:

Executive Committee Report: The minutes of the October 3rd Meeting of the Executive Committee was placed in the meeting packet.

Finance Committee Report: Committee Chair Vyrle Hill reported that the committee had met on November 8th to review the actuary's reserving report and the Risk Pool's unaudited financial statements for the year that just ended. Vyrle said that the committee wanted to change the presentation format from past years and show the monies in the adverse and rate stabilization reserve as restricted retained earnings rather than as a liability. The committee also wanted to start showing unallocated loss adjustment reserves in the event of a claims runoff in the same amount as recommended in the reserving report, which this year is \$515,000.

No changes are recommended in the financial management and travel policies except that the travel policy should allow for a per diem similar to the State OFM per diem rate.

The committee will work further on a uniform financial presentation at each Board Meeting.

John Crawford remarked that the year-ending budget was slightly in the black, with a skid-car grant for the Puget Sound counties still waiting for a completed Interlocal agreement, and the claims pre-defense review line item waiting to see whether incidents would develop into claims and suits.

Si Stephens used a PowerPoint presentation to show five financial analysis ratios measuring changes in equity and loss development.

Executive Director's Report: John Crawford reported that WSAC, WACO and other county organizations were investigating a public officials certification and professional development program with the assistance of WSU. The Board deferred action on approving Risk Pool endorsement and financial support of the program and wanted staff to provide limited administrative time only in the planning.

Risk Management Committee Report: Committee Chair David Goldsmith reported that the committee met on September 13th at SeaTac and November 8th at Yakima. The committee sees significant exposure in the District Court supervised probation and pre-trial release programs and will send a new survey to members regarding risk managing it. The committee will be reviewing training programs for first line supervisors and department of licensing checks for difficult drivers.

Programs Manager's Report: Jay Winter provided a training compilation report showing 26 training sessions were put on in the last year with 1,728 participants and an average cost of only \$31 per participant.

Underwriting Committee Report: Committee Co-Chair Marilyn Breckel reported that the committee met on November 8th in Yakima. It reviewed the property insurance program and

recommends that the Risk Pool refrain another year from property pooling, but continues to market the existing group purchase program, and review the program in a year.

The committee also reviewed the fairground/special events program. It has been renewed for the next year even though vendor participation is down. Fair managers should be diligent in requiring fairground event sponsors to provide insurance that names the county as additional insured. The committee believes there is some confusion by the fair associations about their insurance coverage, so will survey members regarding their contracts with the non-profit fair associations.

The committee asks that if any county has suggested changes in the Joint Self-Insurance Liability Policy, to please contact the committee. It will review in the next few months whether the Pool should change its policy from a deductible to allow large counties the option of a self-insured retention to avoid possible conflicts with county coverage policies. It will also review whether the Pool should cover legal expenses resulting in a PDE complaint against member officials or employees. Finally, the committee would like to support a reported attempt in changing the seat belt statute to allow a jury to consider whether the driver and passenger are negligent when they do not wear it and are injured.

Broker's Report: Mike Croke said that companies are reporting that a tough insurance market will be felt at the January 1st renewals. Swiss Re has informed us that enough counties are participating in the higher limits offering. Other members may still elect the higher limits, but need to decide by the end of the month.

Claims Manager's Report: Alicia Johnson discussed large losses. She reported that there have been 129 losses incurred over \$100,000 costing counties, the Pool and our reinsurance company a total of \$48.2 million. There are ten closed million-dollar losses (one is still on appeal) costing a total of \$15.5 million. Alicia also reviewed the number of claims that have been filed in each policy year, with the conclusion that the number of claims have dropped the past three years from the all-time highs recorded in 1995-96 and 1996-97. John Crawford compared the ultimate loss development of four actuarial reserve reports showing yearly changes, and compared premiums and investment earnings with paid and reserved losses.

Strategic Planning: David Goldsmith commented on the performance management system report for operational plan year 2000. He then led the Board in a strategic planning session where directors proposed solutions to what the Pool should do to manage risks and reduce costs of claims, enhance member services, and make it attractive to potential members. David will compile the responses and publish the results. A performance management system will then be developed for plan year 2001.

Other Business: Si Stephens thanked County Commissioner Judy Wilson, who is leaving office, on her service to the Risk Pool as a member of the Board and Executive Committee.

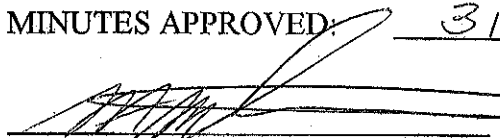
FUTURE BOARD MEETINGS:

Spring Board Meeting - Thursday, March 29, 2001, SeaTac

Board Summer Workshop & Annual Meeting - Thurs & Fri, July 19-20, 2001, Spokane

With no further business, the meeting was adjourned at 12:24 p.m.

MINUTES APPROVED: 3129101


Si A. Stephens, President

[BOARD-M/M-Minutes 1109.doc]

Attest: 

Mary Jo Cady, Secretary