

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

MINUTES

**8:30 a.m. Thursday, November 7, 2002
Red Lion Hotel at the Quay, Vancouver**

ATTENDANCE:

President – Steve M. Lowe, Franklin County Prosecuting Attorney

Secretary-Treasurer – Leon Long, Spokane County Risk Manager

Executive Committee –

Rose Elway, Grays Harbor County Dir, Mgmt Services, Budget, Insurance & Risk Mgmt

David Goldsmith, Jefferson County Administrator

Vyrle L. Hill, Pacific County Administrative Officer

Mike Shelton, Island County Commissioner

Si A. Stephens, San Juan County Auditor

Craig L. Vejraska, Okanogan County Commissioner

R.S. Zirkle, Yakima County Prosecuting Attorney

Benton County – Melina Wenner, Risk Manager – Director

Clark County – Ed Pavone, Risk Manager – Director

Cowlitz County – Clyde W. Carpenter, Risk Manager – Director

Franklin County – Neva J. Corkrum, County Commissioner – Director

Grays Harbor County – Bob Beerbower, County Commissioner – Director

Mary Davis, Dep. Director of Insurance & Risk Management - Alternate

Kitsap County – Barbara Razey, Risk Manager – Director

Lewis County – Dennis Hadaller, County Commissioner – Director

Harry B. Green, Risk Manager – Alternate

Mason County – Herb Baze, County Commissioner – Director

Skamania County – Marilyn J. Breckel, Director of Administrative Services – Director

Whatcom County – Randall J. Watts, Chief Civil Deputy Prosecuting Attorney – Director

Actuary – Kevin Wick, FCAS, MAAA, PricewaterhouseCoopers

Broker – Mike Croke, Senior Vice President, Willis of Seattle, Inc.

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 8:42 a.m. by President Steve Lowe who welcomed all in attendance and noted that a quorum was present. Steve welcomed Ed Pavone as the representative of new member Clark County.

APPROVAL:

Minutes: Vyrle Hill moved to approve the minutes of the July 26th Annual Meeting at Spokane. The motion was seconded by Mike Shelton and approved.

REPORTS, DISCUSSION AND ACTION:

Executive Committee: The minutes of the August 30th telephone conference and October 1st meeting of the Executive Committee were placed in the meeting packet. A copy of the revised staff work plan is attached below as an exhibit.

Financial Report: Si Stephens reported that our investments are short term because of low interest rates. The 2001-2002 budget year ended with a negligible surplus in the administrative budget. The state auditor will be reviewing our books starting on November 18th and year-end audited financial information will be distributed after the audit is complete.

Programs Report: Jay Winter gave a training recap that there had been 22 seminars and workshops with 1,227 attendees. In addition, the scholarship fund paid for 49 persons to attend the Local Government Personnel Institute in Yakima in May. Also, 427 students participated in the e-learning program, completing 2,698 courses for an average cost of \$15.50 per course. The RiskMaster claims management information system is being installed and data is being entered on open cases. The closed cases data conversion will be completed by the end of November and we will begin member county "add-ins" in December.

Claims Report: Alicia Johnson reported that the total number of claims reported to the Pool for the last policy year was down from the year before. There have only been thirteen cases of million dollars or more in our fourteen-year history. The overall claims payments for that time will exceed \$100 million (including county deductibles, Pool self-insured retention layer, and excess/reinsurance), though. We will pay our share to the plaintiffs in our largest case, Vicwood Meridian vs. Thurston County, on the first week in December. Alicia described our ongoing efforts in collecting reimbursements from our excess and reinsurance companies in that case. She also reported that six separate lawsuits were recently reported against Chelan County from the 1994-1995 Wenatchee sex crime cases involving 16 different plaintiffs.

Broker's Report: Mike Croke reported on reinsurance renewal. He said that insurance companies providing excess workers compensation insurance for the self-insured counties were concerned about large employee concentrations in the aftermath of the World Trade Center. He said that environmental insurance for landfills is still available.

Actuary Reserving Report: Kevin J. Wick's actuary reserving report was distributed as an e-mail attachment to the meeting reminder. Kevin gave the Board a PowerPoint "Actuarial Report" where he estimated the cost to settle all net outstanding claim obligations (including case, IBNR, and ULAE reserves) to be approximately \$10.4 million. He observed that overall the Pool's reserve requirements have decreased \$1.8 million since last year. That is expected, given the Pool's lower self-insured retention level of \$100,000 during the past four years. He also observed favorable trends in emerging loss experience from the four most recent years. Ron Zirkle moved to accept the amended report (after final reconciliation of payments and reserves) for filing. The motion was seconded by David Goldsmith and approved.

Committees: President Steve Lowe reported that he would like the committees to be active this year and he appointed the following committees, chairs, and members. Steve asked all directors and alternates to consider serving on committees and to contact committee chairs if they are interested.

- Finance Committee – Si Stephens and Vyrle Hill, co-chairs. Members are Rose Elway, Leon Long, Steve Lowe and Mike Shelton.


- Personnel Committee – Ron Zirkle, chair. Members are Karen Goens (Whatcom County), Harry Green, Marge Upham, Melina Wenner, Jim Zdilar (Cowlitz County) and Dave Zeretzke.
- Risk Management Committee – David Goldsmith and Dave Zeretzke, co-chairs. Members are Clyde Carpenter, Janet Corey, Mary Davis, Tammy Devlin, Harry Green, Betty Kemp, Ed Pavone, Dan Powers, Barbara Razey and Melina Wenner.
- Underwriting Committee – Marilyn Breckel and Craig Vejraska, co-chairs. Members are Janet Corey, Neva Corkrum, Steve Lowe, Randy Watts and Ron Zirkle.

Board Governance / Strategic Planning Workshop: David Goldsmith led the Board on a board governance / strategic planning workshop using a self-assessment guide from a publication provided by Kevin Wick that had been prepared by PricewaterhouseCoopers and sponsored by The Institute of Internal Auditors Research Foundation titled “Corporate Governance and the Board – What Works Best.” Board members self-assessed the following areas: strategy and planning, risk management, tone at the top, measuring and monitoring performance, telling the world, and board dynamics.

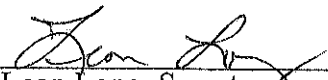
FUTURE BOARD MEETINGS: The Spring Meeting will be at the Franklin County TRAC Facility in Pasco on April 17th, and the Summer Workshop and Annual Meeting will be at the WestCoast Grand Hotel in Spokane on Thursday and Friday, July 31st and August 1st.

With no further business, the meeting was adjourned at 12:16 p.m.

MINUTES APPROVED:



 Steve M. Lowe, President
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Attest: 

 Leon Long, Secretary