

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE
MINUTES**

**10:00 A.M., Thursday, May 31, 2007
Radisson Gateway Hotel Seattle
SeaTac, Washington**

ATTENDANCE:

President – Steve Clem, Douglas County Prosecuting Attorney
Secretary/Treasurer – Keith Goehner, Chelan County Commissioner
Executive Committee Members –

Toni Gilbert, Clallam County Safety Training Officer (teleconferencing)
Neva Corkrum, Franklin County Commissioner
Rose Elway, Grays Harbor County Management Services/Budget Director
Mark Abernathy, Kitsap County Risk Manager
Leon Long, Spokane County Geiger Corrections Ctr. Director/Risk Manager
Diane Oberquell, Thurston County Commissioner
Jay Winter, Walla Walla County Personnel/Risk Manager (teleconferencing)
Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney

Risk Pool Staff –

Vyrle Hill, Executive Director
Susan Looker, Claims Manager
David Goldsmith, Member Services Manager
Jill Lowe, Loss Control Coordinator

Others –

Mike Croke, Broker (Willis of Seattle, Inc.)

Call to Order, Welcome and Roll Call: President Clem called the meeting to order at 10:00 a.m. and noted that he could confirm that a quorum of the Executive Committee was present and teleconferencing.

Agenda: President Clem expressed the need for a claim-related executive session initially and that the Actuary report needed to be delayed until late morning. Leon Long moved approval of the agenda with the changes expressed. The motion was seconded by Diane Oberquell and passed without dissent by voice vote.

Executive Session: Rose Elway moved to convene in executive session; the motion was seconded by Randy Watts and passed by voice vote. Recognizing that public discussion would impair the Pool's ability to conduct its business effectively, and acting in accordance with the WCRP Bylaws and RCW 48.62.101, President Clem recognized all those present as being pertinent to the discussion and moved the meeting into a not-to-exceed 15-minute executive session at 10:02 a.m. to discuss settlement in the Demsey v. Island County matter.

Regular Session: Diane Oberquell moved to reconvene in regular session; the motion was seconded by Randy Watts and passed by voice vote. Upon President Clem's reconvening the regular meeting at 10:08 a.m., Leon Long moved to support the recommendations made during the executive session; the motion was seconded by Randy Watts and passed by voice vote.

Minutes: Rose Elway moved for approval of the minutes of the March 29, 2007 Executive Committee meeting held at Skamania Lodge in conjunction with the WCRP Spring Session as circulated; Mark Abernathy seconded, and the motion passed without dissent by voice vote.

Vouchers: Neva Corkrum moved for approval of Voucher Approval Request No. 07-04, more specifically Administration check numbers 14751 through 14926 totaling \$229,878.75 with

transfers of \$81,382.24 and Claims check numbers 19366 through 19626 totaling \$1,569,398.00; the motion was seconded by Leon Long. Clarification was sought on the basis or identity of the Stritmatter and Mahar claims payments. The motion passed without dissent by voice vote.

Quarterly Financial Reports: Executive Director Hill provided an overview of the financial reports for the period January through March 2007. Rose Elway moved for approval of the Q2-2007 financial reports with authorization for the President to authenticate; the motion was seconded by Diane Oberquell and passed without dissent by voice vote.

Claims Settlement Authorizations: *Item postponed until latter in the meeting.*

Actuary Report: *Item postponed until latter in the meeting.*

Broker's Report: Willis' Mike Croke reported on the late April underwriting and claims processing review trip to New York/New Jersey to meet with the liability program's re-insurers. He noted that Steve Clem, Mike Shelton and Mark Abernathy along with Vyrle Hill and Susan Looker joined he and Liz Miser, and that meetings were held with Everest Re (associated with C.V. Starr), AIG Specialty Excess, and ACE USA. He mentioned that they didn't anticipate any problems with the liability program marketing efforts.

Mr. Croke also reported on the Washington Counties Property Program renewal efforts. He noted that the Statements of Value had been submitted, that they were pursuing at least an option for Auto Physical Damage coverage for some (limited) units, and that they were anticipating some reduction in the rates. He mentioned that a meeting was planned in conjunction with the PRIMA Conference in Boston in June with Lexington, the property program's principle insurer.

Standing Committees' Reports

Finance Committee: Chair Shelton had another meeting conflict today. Executive Director Hill noted that the meeting packet included a proposed budget that he had prepared. He also noted that he was anticipating its referral to the Finance Committee for recommendation.

Nominating Committee: It was determined that the positions of Neva Corkrum, Leon Long, Rose Elway and Jay Winter were expiring September 30th. Chair (President) Clem inquired of and confirmed that all four were interested in seeking reelection. Through consensus, it was agreed that Chair Clem and Randy Watts would pursue other interested candidates and report at the July 12th meeting

Personnel Committee: Chair Jay Winter had nothing to report.

Risk Management Committee: A request had been received for waiver of the Risk Manager certification requirements listed in the Membership Compact for licensed casualty/property insurance agents. It was agreed to direct the request to this committee for recommendation.

Underwriting Committee: It was reported that the committee still needed to address the "civil statute" matter, and that Rich Vincelette (ACE USA) had forwarded a request through Mike Croke seeking some changes in the policy language related to Sexual Abuse.

Recess: President Clem recessed the meeting at 11:00 a.m. and reconvened at 11:11 a.m.

Executive Session: Randy Watts moved to convene again in executive session to review and discuss other pending claims; the motion was seconded by Diane Oberquell and passed by voice vote. In accordance with the WCRP Bylaws and RCW 48.62.101, President Clem again recognized all those present as being pertinent to this discussion and moved the meeting into

another not-to-exceed 15-minute executive session at 11:12 a.m. to discuss the Busby v. and the Lewis v. Whatcom County, the Specialty Auto v. Spokane County, and the Broyles V. Thurston County cases.

Regular Session: Rose Elway moved to exit the executive session; the motion was seconded by Diane Oberquell and passed by voice vote. President Clem reconvened the regular meeting at 11:29 a.m.

Diane Oberquell moved for approval of Settlement Confirmation No. 5.31-2007, more specifically Chantel Johnson v. Kitsap County, Amy Dempsey v. Island County, and Estate of Michael Busby v. Whatcom County. The motion was seconded by Keith Goehner and passed by voice vote with Randy Watts abstaining. Leon Long moved to approve additional amount in the May 29th final settlement of Busby v. Whatcom County; the motion was seconded by Neva Corkrum and passed by voice vote with Randy Watts again abstaining.

Staff Reports:

Claims Manager Susan Looker expressed concern about compliance with the reporting requirements in the Claims Handling Policies and Procedures by some in-house attorneys. Following an extended discussion, it was agreed that the President, Executive Director and Claims Manager would confer further about this matter.

Recess: President Clem recessed the meeting at Noon for attendees to gather their lunches and reconvened at 12:27 p.m. (*Jay Winter rejoined the teleconference at 12:40 p.m.*)

Actuary Report: PricewaterhouseCoopers' Craig Scukas and Kevin Wick, who had joined the meeting at 11:35 a.m., reviewed the summary and some of the exhibits in the Actuarial Review of Loss Rates for Py2008 they had drafted and the deposit premium assessment worksheet for Py2008 they had prepared. The actuarial projections include a 3.9% overall increase in the 2008 liability loss rate for the Pool's \$100,000 retention, with General Liability rates decreasing 0.4% and Employment Practices Liability and Automobile Liability rates increasing 23.6% and 2.6%. With no significant concerns or questions being posed, the actuaries were directed to finalize the report for Board action during the upcoming Annual Meeting.

The independent claims audit conducted in December 2006 by PwC was briefly reviewed and discussed. It was agreed that the committee would consider accepting the report subject to receiving a signed copy from the claims auditor.

Staff Reports (continued):

Member Services Manager David Goldsmith updated the committee on the status of the Membership Compact compliance audits. He noted that 23 field audits had been conducted. He also noted that 11 final audit reports had been presented, 2 final reports were awaiting presentation, 5 reports were drafted and in review, and 5 reports were awaiting drafting. He said he was still on target for completing this task by the end of the Pool Year.

Loss Control Coordinator Jill Lowe reported on upcoming trainings – reviews and tests for the IIA Intro courses (Insurance and Claims) were conducted for 27 people in Yakima May 15-16, and another round of testing will be held in conjunction with the Summer Session; John Schriener (Diversified RM) provided special events insurance administrative trainings at five locations over three days; and Public Records Act 3-hour sessions at three locations in June with plans for additional locations later this year. Jill also reported that San Juan and Skamania Counties were moving forward with approvals using the model Risk Management and Claims Administration Policy that had recently been developed.

Executive Director Vyrle Hill presented and briefly reviewed the Py2008 Budget proposals. Included were: a) Statement of Revenues and Expenses and Changes in Net Assets as an organizational budget to address the request of the State Auditor's Office; b) Deposit Premium Composite worksheets incorporating new exposure estimates, present reinsurance and excess insurance amounts, and the proposed operational (administrative) budget; and c) a proposed operational budget totaling \$1,587,491 with \$57,952 being distributed to and amongst the property program participants and \$100,000 derived from the ACE USA program enhancement allowance. After responding to several questions and favorable comments, Mr. Hill suggested that the proposals be referred to the Finance Committee and the yet-to-be completed Work Plans to the appropriate standing committees for further review and a recommendation. Rose Elway moved to refer the financial reports making up the budget proposal to the Finance Committee with the Executive Committee's recommendation that the view the proposal as a suggested "final" proposal; the motion was seconded by Randy Watts and passed by voice vote.

Leon Long and Neva Corkrum excused themselves from the meeting.

Executive Session: Keith Goehner moved to convene another executive session to consider employee evaluation. The motion was duly seconded and passed unanimously by voice vote. President Clem excused all those present except for the Executive Committee persons and thanked everyone for attending the meeting. He asked Mr. Hill to remain close so he could join the session shortly; then moved the meeting into an estimated 30-minute executive session at 2:30 p.m. to continue the performance review of the Executive Director. Mr. Hill joined the session at 2:40 p.m.

Regular Session: Randy Watts moved to exit the executive session; the motion was seconded by Mark Abernathy and passed by voice vote. President Clem reconvened the regular meeting at 2:45 p.m. and reported that he would complete the summarized written performance evaluation, then forward it to Executive Director Hill to acknowledge, respond to if he desires, and file with the Pool's personnel records.

Adjournment: President Clem expressed appreciation to Toni Gilbert and Jay Winter for their telephonic participation in the lengthy meeting; then he adjourned the meeting without any objections at 2:50 p.m.

MINUTES APPROVED this _____ day of _____, 2007.



President

Attest: 

Secretary/Treasurer