

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

9:00 AM – Thursday, June 23, 2009

Radisson Hotel Gateway Seattle-Tacoma Airport
SeaTac, Washington

ATTENDANCE:

President – Mark Abernathy, Director – Kitsap County Risk Manager

Executive Committee Members –

Keith Goehner, Director – Chelan County Commissioner (*telephonically*)

Steve Clem – Douglas County Prosecuting Attorney

Lee Grose – Lewis County Commissioner

Andrew Lampe – Okanogan County Commissioner

Steve Bartel – Spokane County Risk Manager

Tammy Devlin – Thurston County Risk Manager

Randy Watts – Whatcom County Chief Civil Deputy Prosecuting Attorney

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

Risk Pool Staff –

Susan Looker – Claims Manager

Others –

Kevin Wick, Managing Director – PricewaterhouseCoopers, LLP

Michael Croke, Area Senior Vice President – Arthur J. Gallagher RMS, Inc.

Elizabeth Miser, Area Vice President – Arthur J. Gallagher RMS, Inc.

Call to Order, Welcome, Roll Call and Agenda: President Abernathy called the meeting to order at 9:18 AM. He welcomed everyone, and then announced a quorum was present by visually confirming seven regular committee members were present. Commissioner Goehner joined the meeting telephonically at 9:20 AM. Other than agreeing to take Item 4 first, no other adjustments were proposed to the agenda.

Acting Secretary: With Secretary-Treasurer Jay Winter absent, Lee Grose offered to serve as Acting Secretary for this meeting. President Abernathy acknowledged the offer and designated Mr. Grose the Acting Secretary for this meeting.

Claims Settlement Authorizations: Each action was addressed separately to avoid any appearance of fairness concerns. Steve Clem moved to confirm the approval of Settlement Confirmation No. 06.23-2009 (A), more specifically Trask v. Kitsap County; Lee Grose seconded, and the motion passed without dissent and with President Abernathy abstaining. Then Randy Watts moved to confirm the approval of Settlement Confirmation No. 06.23-2009 (B), more specifically Warnes v. Skamania County; Steve Bartel seconded, and the motion passed without dissent. Finally, Randy Watts moved to confirm the approval of Settlement Confirmation No. 06.23-2009 (C), more specifically Wynn v. Thurston County; Lee Grose seconded, and the motion passed without dissent and with Tammy Devlin abstaining.

Minutes: Lee Grose moved for approval of the minutes for the March 26, 2009 Executive Committee meeting held at the Skamania Lodge in Stevenson; Tammy Devlin seconded, and the motion passed without dissent.

Vouchers: Steve Clem moved for approval of Voucher Approval Request No. 09-04, more specifically check numbers 2679 through 2946 (administrative) and 27646 through 28132 (claims) totaling \$2,812,636.62 with transfers of \$133,385.91; Andy Lampe seconded, and the motion passed without dissent.

Quarterly Financial Reports: Executive Director Hill provided a very brief review of the 2Q-2009 financial reports for the period January through March 2009, noting that 1) Net Assets now exceed \$7.2 million; 2) 39% of the operating (administrative) budget had been expended; and 3) the Assets to Liability Ratio from the SRM report remained at 2.03. Steve Bartel moved for approval of the 2Q-2009 financial reports with authorization, if needed, for the President to authenticate; Randy Watts seconded, and the motion passed without dissent.

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Coverage Determination Appeal Stay: Chief Civil Deputy Prosecuting Attorney (Franklin County) Ryan Verhulp submitted a request dated June 10, 2009 asking to stay the appeal of the coverage denial related to the claim from *United Pipe & Supply, Inc.* pending Franklin County's receipt of a lawsuit related to the claim. Following a brief discussion of the peculiarities associated with the claim, Lee Grose moved for approval of the requested stay with recognition of Franklin County's reservation express in the June 10th stay request. Randy Watts seconded, and the motion passed without dissent.

State Risk Manager Report: The proposed revisions to WAC 82.60 and the scheduled hearing notice were very briefly discussed. Vyrle Hill noted the new rules would apply to all liability or property self-insurers, but most of the rules pertained to "pooled" programs. He also commented that the new rules would have some effect upon the Pool's reporting, especially if there were a large (reinsured) payout immediately preceding the close of a reporting period.

Actuary's Report: Managing Director Kevin Wick provided a 7-slide summarized presentation and PricewaterhouseCoopers' Actuarial Review of Loss Rates for Pool Year 2010. The scope of the review included projecting costs for 2009-10 and credit factors for the 6 deductible levels. Experience rating factors and member premium calculations aren't yet included due to the Finance Committee's postponed review and forthcoming recommendations. The report projects an overall increase of 9.5% in the 2010 loss rate for the Pool's \$100,000 retention. Indicated General Liability and Employment Practices Liability rates have increased 15.0% and 7.6% respectively, while Automobile Liability rates have decreased 23.4%. Weighted totals reflect increases of 11.5% for the \$10,000 deductible category, 5.8% for \$25,000, and 2.1% for the \$50,000 deductible category. Steve Clem thanked Mr. Wick for providing a very understandable presentation.

Recess: President Abernathy recessed the meeting at 10:15 AM, and then reconvened the meeting again at 10:28 AM.

Broker's Reports: Producer Mike Croke first thanked everyone for everything they had a part in during his medical recovery. He reported that they were marketing both the liability and property programs and were expecting early indications from some insurers by the end of June. He noted that while several insurers have shown interest in the liability program above the primary reinsurance layer but they were growing increasingly concerned about loss ratios, how large claims are addressed in the future, and insured/insurer relationships. An inspired discussion followed touching upon many subjects including communication, organizational formats, restricting deductibles, prosecuting attorneys' perceptions, educational opportunities, and business resolutions in political environments with Mr. Goehner rejoining the meeting telephonically at 10:59 AM. Mr. Croke concluded his report by listing the insurer contacts that they were expecting to be involved.

Nominating Committee: With the terms for Steve Clem, Randy Watts and himself expiring September 30th, Chair (President) Abernathy noted that nominees would be needed for next year's open Executive Committee positions. He noted he was interested in being nominated for another term, as was Randy Watts. Steve Clem, though not disinterested, wanted all to know that he would be presiding over WAPA and the state's prosecutors next year. Consensus was to notify the member directors and alternate directors of the pending openings and seeking expressions of interest; also, to delay the nominating process for the three open Executive Committee positions and the Pool's officers until the July 16th Executive Committee meeting. Since he is seeking a nomination, Chair Abernathy asked that Secretary-Treasurer Winter and Executive Director Hill be listed as the membership's points of contact for expressing their interest in being a nominee.

Standing Committees' Reports

- **Finance:** Chair Steve Clem reported that the committee was scheduled to meet July 9th. They will be reviewing Kevin Wick's analyses and considering several loading factors including experience modification for use in the reallocation process. He noted there are several other agenda items including the budget and work plan for next fiscal/policy year.

- **Personnel:** Chair Tammy Devlin presented the proposed Personnel Policy revisions her committee developed and approved that address new mandatory leaves. Steve Clem moved to accept the recommendations and forward the same with the Executive Committee's support to the Board for its approval during the Annual Meeting; Steve Bartel seconded and the motion passed without dissent.
- **Risk Management:** Chair Steve Bartel reported his committee met telephonically June 30th to further discuss the pending SkidCar® agreement amongst the Western Washington member counties; also, the risk manager compact compliance provisions, enhanced scholarship usage authority, and designated Safety Officers.
- **Underwriting:** Co-chair Randy Watts presented the compilation of revisions to the Joint Self-Insurance Liability Policy that the committeepersons are presently reviewing.

Gavel Exchange / Recess: Needing to leave to attend other afternoon meetings, President Abernathy passed the gavel at 11:50 AM to Steve Clem (the most immediate past president attending this meeting), and he and Steve Bartel excused themselves. Mr. Clem accepted the presiding responsibilities by accepting the gavel and immediately recessed the meeting for a short lunch break and reconvened the meeting at 12:22 PM.

Staff Reports:

- **Executive Director** Vyrle Hill presented the results from the SAO Exit Conference and copies of the three draft audit reports. The SAO concerns were discussed and the Executive Director's response plans endorsed. Next was the initial draft of the Preliminary Py2010 Budget. Since the Budget will be previewed by the Finance Committee, ED Hill simply asked the committee for clarification regarding application of a negative COLA. Following some discussion, Lee Grose moved to direct the Executive Director to interpret the COLA provisions in the Personnel Policy for adjustment of the Salary Schedule annually as not applying when the referenced index is published as a negative percentage; Randy Watts seconded, and the motion passed without dissent. And Mr. Hill reported that he had tentatively approved Northwest Community Builders' return to the smaller Suite G at the lease rate NCB paid previously. Randy Watts moved to approve the Second Lease Amendment with Northwest Community Builders (for Suite G); Andy Lampe seconded, and the motion passed without dissent.
- **Claims Manager** Susan Looker reported that the Sentencing Hearing in the State of Washington v. Alicia Johnson matter is now scheduled for June 29th. She also reported on the Wynn settlement and AIG relations. Finally, she provided a handout with claims data for public records actions.
- **Loss Control Coordinator** Jill Lowe's request for committee support to redirect residual employment law training funds was introduced. Consensus of the committee was budget line items feel within the Executive Director's discretion.

Officer and Committeeperson Reports

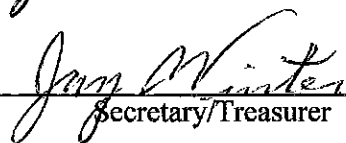
- Andy Lampe moved to table the scheduled executive session for the performance review to the July 16th meeting; Randy Watts seconded, and the motion passed without dissent.
- Keith Goehner briefly reported on his attending the recent PRIMA Conference in Dallas.

Adjournment: Lee Grose moved for meeting adjournment; Andy Lampe seconded, and the motion passed without dissent. Past president Clem adjourned the meeting at 1:16 PM.

MINUTES APPROVED this 16th day of July, 2009.



 President

Attest: 

 Secretary/Treasurer