

WASHINGTON COUNTIES INSURANCE POOL
BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 17, 2006
Radisson Hotel
SeaTac, Washington

BOARD MEMBERS PRESENT:

Paul Eichenberg, Spokane Library District, WCIP President
Belinda Price, Olympic Area Agency on Aging, WCIP Vice President
Sandy Ward, Behavioral Health Resources
Elaine Croteau, Kitsap County Health District
Dean Burton, Garfield County Commissioner
Mac McDowell, Island County Commissioner
Richard Graham, Lewis County Commissioner
George Trott, Wahkiakum County Commissioner
Dave Carey, Walla Walla County Commissioner
Jerry Finch, Whitman County Commissioner

OTHERS PRESENT:

Larry Grove, Lewis County Alternate
Larry Larson, Island County Alternate
Dean Cummings, Pend Oreille County Alternate
Dwight Robanske, Columbia County Commissioner
Alan Crankovich, Kittitas County Commissioner
Pat Hamilton, Pacific County Commissioner
Karen Holt, Kitsap County Health District
Shannon Inzunza, Asotin County Human Resources Director
Rosie Rumsey, Franklin County Human Resources Director
Frank Brock, Franklin County Commissioner
Mark Sigler, Grays Harbor County
Mark Fukuhara, WCIF Executive Director
Rita Fanning, WCIF Deputy Director
Krista Whitaker, WCIF Benefits Manager
John Garner, Garner Consulting, Benefits Consultant
Gerti Reagan Garner, Garner Consulting, Benefits Consultant

I. OPENING OF MEETING

President Paul Eichenberg opened the WCIP Board meeting at 12:35 pm.

II. APPROVAL OF MINUTES

The WCIP Board of Trustees reviewed the draft minutes for the meeting on March 16, 2006.

Motion was made by Dean Burton and seconded by Dave Carey that the WCIP minutes for March 16, 2006 be approved as amended. Motion carried unanimously.

III. EXECUTIVE DIRECTOR REPORT (see written reports)

Mark Fukuhara announced items not included in his written reports: 1) in support of upcoming benefit fairs, we will be creating videos of Krista Whitaker explaining benefit changes which will be available on our website as well as on a CD which will be provided to employers; 2) due to needs of some of our participating employers as well as prospective customers, we will be providing composite and 2 tier (single and family) rates for WCIP plans; and 3) agenda items for the WCIF/WCIP Board Meeting on September 14 include addition of another staff position, medical claims audit, expansion of WCIP loyalty program, and wellness incentives.

Mark also pointed out that four Directors' terms are expiring (Elaine Croteau, Dean Burton, Dave Carey and Richard Graham) effective December 31, 2006 and Jerry Finch's automatic position will be filled by Dwight Robanske. Also, one person not currently on the WCIP Board has expressed interest to be a candidate during the next election. Therefore, it is likely that we will have more candidates than vacancies when we have the WCIP Board elections on September 14, 2006.

IV. FINANCIAL REPORTS (see written reports)

Rita Fanning explained that the State Auditor Office (SAO) Audit Report for the year ending December 31, 2005 which was a clean report for the WCIP. Rita also gave an overview of the unaudited WCIP Financial Statements for the period ending June 30, 2006 which showed a net income of \$959,202 and more than \$4.8 million in stabilization reserves. She also noted that the WCIP Investment Policy including the changes made by the Board at its March 2006 meeting was in the Board's advance materials.

Motion was made by Jerry Finch and seconded by Richard Graham to accept the WCIP financial reports as submitted. Motion carried unanimously.

V. SELECTION OF INVESTMENT MANAGEMENT FIRM (see written report)

Mark Fukuhara gave an update of what happened after the March 16, 2006 Board meeting and the differences in fees between the finalists. There was discussion on

some of the pros and cons of the WCIP having the same investment firm as the WCIF.

Motion was made by Dave Carey and seconded by Dean Burton to select Raymond James Financial Services as the investment manager for the WCIP. Motion carried unanimously.

VI. BUNDLING EAP AND LTD WITH MEDICAL PLANS (see written report)

Mark Fukuhara announced that the WCIF Board approved bundling enrollment in Employee Assistance Plan (EAP) and Long Term Disability (LTD) with Group Health Options medical plans and that a similar recommendation would be made later in the meeting with the WCIP self-insured medical plans.

VII. SELF-INSURING DENTAL AND VISION PLANS (see written report)

Mark Fukuhara announced that the WCIF Board approved changing its VSP vision plans from fully-insured to self-insured funding. Therefore, as of January 1, 2007, the WCIP Board will be responsible for making decisions regarding the vision plans. WCIF staff will be working with the state risk manager to ensure that all required information is provided in support of self-insuring the vision plans.

The WCIF Board agreed with the staff's recommendation to maintain the WDS dental plans under fully-insured funding.

VIII. RECOMMENDATIONS FOR 2007 RENEWAL (see written reports)

Gerti Reagan Garner and John Garner from Garner Consulting, made a presentation summarizing the information and recommendations contained in their written reports. They also provided composite rates and schedules to be used with prospective new participating employers. Although not included in the materials, WCIF staff recommended offering two tier rates as that would help some of our current and prospective employers in comparing to other carriers' plans and with certain collective bargaining agreements.

There was some discussion on how particular plans and tiers' rates changed in the various rate schedules. Belinda Price requested that an updated schedule showing percentage increases by tier by plan be provided as soon as possible.

Motion was made by Dean Burton and seconded Elaine Croteau to approve the 2007 WCIP renewal recommendations as presented in written materials and rates as shown in Appendix 4. Motion carried with Dave Carey and Belinda Price dissenting.

Motion was made by Elaine Croteau and seconded by Dean Burton to approve the offering of composite and two tier rates in 2007. Motion carried unanimously.

IX. New Business or Announcements

Mark Fukuhara announced that advance materials for the September 14 IAC/WCIF/WCIP Meetings will be mailed on August 30.

X. ADJOURNMENT

The meeting was adjourned at 2:00 pm.

MINUTES APPROVED September 14, 2006 by WCIP Board

Paul Eichenberg, WCIP President

Belinda Price, WCIP Vice-President