

November 18, 2004

**WASHINGTON COUNTIES INSURANCE POOL
BOARD OF TRUSTEES MEETING**

MINUTES

**Thursday, November 18, 2004
Red Lion at Columbia Center
Kennewick, Washington**

THOSE PRESENT:

**Dean Burton, Garfield County Commissioner (President)
Mac McDowell, Island County Commissioner
Richard Graham, Lewis County Commissioner
George Trott, Wahkiakum County Commissioner
Dave Carey, Walla Walla County Commissioner (Vice President)
Jerry Finch, Whitman County Commissioner
Paul Eichenberg, Spokane County Library
Bea Price, Olympia Area Agency on Aging
Jena Thrasher, Timberland Regional Library
Sandy Ward, Behavioral Health Resources
Kitty Wallace, WCIF Executive Director
Rita Fanning, WCIF Deputy Director
Frank Campbell, WCIF Marketing Executive
Aaron Pollock, Marsh USA Benefits Consultants**

OPENING OF MEETING: Commissioner Dean Burton opened the meeting at 10:35 am and welcomed all attendees. Kitty Wallace presented yellow roses to each director in appreciation for their contributions to WCIP during the 2004 year.

APPROVAL OF MINUTES of September 16, 2004. Motion was made by Dave Carey and seconded by Rich Graham to approve the minutes as presented. Motion carried.

FINANCIAL REPORT. Rita Fanning presented the 3rd Quarter Financial Statements, a current Tracking Report, and the current Large Claims report.

STOP LOSS RENEWAL - Aaron Pollock reported that his projection for the 2005 stop loss renewal increase was right on at 30%.

MARKETING REPORT. Frank Campbell presented the new WCIF/WCIP marketing brochures and gave a progress report for September and October. He has made contact with King, Klickitat, Skamania, Okanogan, San Juan, and Whatcom counties as well as Skagit Transit. He remarked that Premera Blue Cross appears to dominate the Washington marketplace. He also asked the board to assist him in making contacts with the Benefax counties. Jerry Finch agreed to help out as did Dean Burton.

Kitty commented that the WCIP Board will be discussing a proposal to rate new business outside the self insured pool rates later in the meeting. This should help grow the pool, and will also assist Frank in his marketing efforts.

LEGAL UPDATE - EXECUTIVE SESSION. President Dean Burton declared an executive session to discuss legal matters.

PROPOSED NEW RATING MODEL. Aaron Pollock provided a proposal to rate new business outside the pooled rates. He discussed that the many benefits of pool membership are not enough for some counties who are interested in the bottom line only. Some have had lower rates than WCIP; others have had higher rates. In short, there are a number of prospective members/counties that cannot be rated the same as the pool because of geographic and demographic factors as well as claims experience.

Aaron suggested that each prospective member be experience rated until such time as their rates approach those of the pool. They would then join the pool and remain there. Mac McDowell and George Trott suggested that high risk counties be put on a five year trial basis before being brought into the pool.

Existing pool members will benefit from the new rating structure because the new employers, while rated differently, will still contribute to the IBNR and contingency reserves. More members also help spread the cost of administration which results in lower costs for all. Most importantly, being more flexible in rating offers an opportunity for WCIP to re-introduce itself to the entire state, including non-county entities.

Motion was made by Mac McDowell and seconded by Dave Carey that "good" prospective counties will be rated in line with their experience and accepted for membership. Prospective employers with poor experience should be reviewed and approved by the board. Motion carried.

ELECTION OF WCIF VICE CHAIR FOR 2005.

Motion was made by Dean Burton and seconded by Pat Hamilton to appoint George Trott as Vice Chair of the WCIF Board in 2005. Motion carried.

EXECUTIVE DIRECTOR SEARCH. Kitty Wallace announced that the executive search will close shortly and finalists will be interviewed on January 20, 2005. She encouraged both boards to be present for the interview process.

ELECTIONS. Kitty reminded the group that Dave Carey will be the pool president in 2005, but the vice Presidency remains vacant.

Jena Thrasher nominated Paul Eichenberg as pool Vice President in 2005. Dave Carey moved that the nominations be closed. Motion carried.

2005 MEETING CALENDAR.

Many board members expressed a desire to combine meetings of the WCIF and WCIP in order to save time but also to avoid duplication in reporting, etc. Kitty agreed to arrange the meeting calendar accordingly. Dean Burton felt it would be possible for the WCIP President and the WCIF Chair to toss the gavel back and forth when required, i.e., when an issue is specific to one group or another and requires a vote by the respective board members.

January 20, 2005 – SeaTac Location

March 17, 2005 – Insurance Advisory Committee and both boards - Spokane

August 18, 2005 – Rate Setting Meeting – SeaTac

September 15, 2005 – Insurance Advisory Committee and both boards –SeaTac

November 17, 2005 – Kennewick

ADJOURNMENT. Meeting was adjourned at 12:20 pm.

MINUTES APPROVED (Date)

Dean Burton, President

Dave Carey, Vice President

FUTURE WCIP BOARD MEETINGS IN 2005:

Thursday, January 20, 2005 – SeaTac Location

Thursday, March 17, 2005 – Insurance Advisory Committee and both boards - Spokane

Thursday, August 18, 2005 – Rate Setting - SeaTac

Thursday, September 15, 2005 – Insurance Advisory Committee and both boards –SeaTac

Thursday, November 17, 2005 – Kennewick