

SW Washington Risk Management Insurance Cooperative

COMMITTEE LETTER

RISK MANAGEMENT EXECUTIVE COMMITTEE

Monday, April 26, 2010
10:00 am to 12:00 pm
ESD 112 Columbia Room

I. **Call to Order**

Chair, Teresa Baldwin will call the meeting to order and determine that a quorum exists.

II. **Consideration of Agenda**

ACTION REQUESTED: Approval of the Agenda as presented along with any revisions that are accepted. Exhibit 1 (Note: The "Committee Letter" acts as the agenda.)

III. **Information Items**

A. **Upcoming Claims Audit (Peggy Sandberg)**

Peggy Sandberg will discuss the upcoming claims audit scheduled for Summer 2010.

IV. **Action Items**

A. **Approval of Minutes (Loy Dale)**

Minutes from the committee meeting November 17, 2009 are provided.

ACTION REQUESTED: Approval of committee minutes from the meeting on November 17, 2009 as presented, with any changes noted.

B. **Approval of the 2010-2011 Administrative Budget (Loy Dale and Shaun Mettler)**

The Balance Sheet and Statement of Revenues, Expenses and Changes in Retained Earnings for the month end February 28, 2010 are provided.

Enclosed is a copy of the current summary of administrative expenditures through February 28, 2010 (50.0% of the year).

Also enclosed is a comparison of the current budget to the proposed 2010-2011 budget.

ACTION REQUESTED: Approval of the Administrative Budget for 2010-2011 in the amount of \$458,965.

C. Ratification of Open Claims Report (Derek Bryan)

Derek Bryan will review the status of open claims as of March 31, 2010.

ACTION REQUESTED: Ratification of the March 31, 2010 open claims report.

D. Approval of Rates for the 2010-2011 Year (Loy Dale)

A two-page spreadsheet is enclosed showing the cost allocation of the “recommended” contribution, also factoring in adjustments for district size, and district claims loss experience adjustments (by coverage provided by the actuary).

A spreadsheet is enclosed comparing the current year contributions (2009-2010) to the new recommended rate contributions (2010-2011).

ACTION REQUESTED: Approval to charge first class districts 85% of base rate in property and 90% of base rate in general liability.

ACTION REQUESTED: Approval of the “recommended” contribution rates for the 2010-2011 year.

E. Preliminary Approval of New Members (Peggy Sandberg)

The Executive Committees of Southwest Washington Workers’ Compensation Trust and Southwest Washington Unemployment Compensation Pool have requested to join the Southwest Washington Risk Management Insurance Cooperative. They would like to join as full members (under the “Interlocal cooperation act,” RCW 39.34), for the primary purpose of obtaining errors and omissions liability coverage for liability arising out of board decisions.

Our excess insurer, Washington Schools Risk Management Pool, currently covers four such cooperatives. WSRMP rates are based on the # of board members x the current liability rate. The cost for either Cooperative to join would be \$169.12 (5 x \$33.8234).

According to the Southwest Washington Risk Management Insurance Cooperative Constitution, section III, paragraph B, adding new members requires “approval of a majority of member representatives.”

ACTION REQUESTED: Approval to send vote out to full membership for Southwest Washington Workers' Compensation Trust and Southwest Washington Unemployment Compensation Pool to join the Southwest Washington Risk Management Insurance Cooperative.

ACTION REQUESTED: Approve the rate structure for interlocal cooperatives; the # of board members x SWRMIC current liability rate.

F. Approval to Establish and Fund a School Risk Management Grant Program (Scott La Bar)

In an effort to encourage districts to mitigate potential property and liability loss exposures, loss control staff is proposing a one-time school risk management grant program.

ACTION REQUESTED: Approve total expenditures of \$100,000 to be awarded to individual member districts to receive a maximum of \$5,000 non-matching and up to another \$5,000 in matching funds through a competitive process.

G. Consider Refund to Member Districts (Loy Dale)

Loy Dale will discuss the option of refunding money to member districts.

ACTION REQUESTED: Approval of issuing a refund to member districts in an amount and on a date to be determined by the Executive Committee.

V. Comments from Committee Members

VI. Adjournment (Teresa Baldwin)