



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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AS APPROVED

To: Local Government Self Insurance Property
and Liability Advisory Board

From: Shannon Stuber
Local Government Self Insurance
Program Administrator

Subject: Property and Liability Advisory Board
December 5, 2007 Meeting Minutes

PROPERTY AND LIABILITY BOARD MEMBERS PRESENT

David Canfield	Canfield and Associates (left at 11:00 due to illness)
Mark Kammers	Washington Governmental Entities Pool
Margaret Lesser	City of Bremerton
Joanne Nicholai	City of Bellevue
Allen Hatten	Washington State Transit Insurance Pool

EX OFFICIO PRESENT

Shannon Stuber	Office of Financial Management (OFM)
Dan Potapenko	State Auditor's Office (SAO)

CALL TO ORDER

Chair Lesser called meeting to order at 10:00 a.m.

APPROVAL OF PREVIOUS BOARD MEETING MINUTES

The draft September 27, 2006 Board meeting minutes were approved.

OFM REPORT

Shannon Stuber discussed recent Pool Director interviews and feedback during her first months in the position of Program Administrator. Similarities and concerns were noted in a powerpoint presentation. A request was made for the presentation, and Shannon stated it could be made available to anyone requesting it. She also expressed her appreciation to all of the Pool Directors for their time and thoughtful responses.

OLD BUSINESS

It was noted that the previous meeting included some discussion items which, for continuity, would be discussed and resolved at this meeting and any unresolved issues would be included in the next meeting agenda. The issues were as follows:

Claims Audit-It was discussed that not all pools are receiving claims audits which meet the criteria stated in the WAC 82-60-50(3). John Crawford of Canfield & Association questioned

whether there were standards or certifications for a claims auditor. Vyrle Hill of WRCP said he thought there were and would check on this.

Using Equity to Fund Claims Budget-The group discussed and determined this was a business decision by each individual pool, but the trend over time should be monitored.

Frequency of RFP-The pool should have a documented competitive process in place and the examiner should be able to review and determine whether the program followed the process. Discussion will continue at the next meeting as we may want to develop a process for risk pools to follow.

Parameters in new member pricing-It was decided that a concern should be brought to the Program Administrator and documentation should be provided for investigation on an individual basis.

Certification of Loss Reserves-The actuarial study provides the liability estimate, which should match the financial statement. The Program Administrator is responsible for ensuring that liabilities are correctly presented and will work with SAO if there are questions.

Peer Review of Actuary Reports-Actuarial standards require peer review. If an actuarial report does not appear to have been peer reviewed, the Program Administrator will work with any program in question to ensure compliance.

WORKING LUNCH

During lunch a presentation was provided by the Program Administrator about upcoming examinations and those areas which would be reviewed.

REVISION OF GUIDELINES

The Board discussed the current guidelines in place. OFM would like to eliminate guidelines and streamline the requirements in an effort to make them clearer and more concise. Those “cornerstones” which ensure the financial safety and soundness of the programs may be better positioned in WAC or RCW. The discussion items included the annual report to the SRM, which will eventually be electronic. Also discussed was the Associate Member guideline. After a discussion which included the Board and attendees, the Board asked that the Program Administrator request information from all of the programs regarding their definition of an associate member, what programs were in place, and whether this group shared risk. The information will be compiled and sent out to all attendees. The results will be discussed at the next meeting. Also discussed was a new waiver form available on the LGSI web site. For those programs with a waiver currently in place, the waivers will expire at year end.

NEXT MEETING

The next meeting will be determined and a notice sent to all attendees.

ADJOURN

Meeting adjourned 3:00 pm.