

COMMISSIONERS RECORD 47
FRANKLIN COUNTY
Commissioners' Proceeding for February 14, 2006

The Honorable Board of Franklin County Commissioners met on the above date in a special meeting. Present for the meeting were Neva J. Corkrum, Chairman; Bob Koch, Chair Pro Tem; and Frank H. Brock, Member; Fred Bowen, County Administrator; and Mary Withers, Clerk to the Board.

INSURANCE

Scott Davis of Canfield & Associates met with the Board to give an insurance proposal. Also present: Human Resources Director Rosie H. Rumsey.

Insurance Proposal

Mr. Davis gave the Board a binder of information about the Washington Rural Counties Insurance Program.

The Board reviewed the proposal.

Mrs. Corkrum asked about tail coverage. Mr. Davis said the only time you would need it is if you ever left our program. Mrs. Corkrum asked what would that cost us? Mr. Davis said by law we have to offer you tail coverage. He will find out the cost.

Mrs. Corkrum asked how the insurance would affect our claims incurred but not reported. Mr. Scott said if you had a claim today and you were in our program for a year but then the claim arises but we find out it occurred prior that year, your current program would be picking up that exposure. Mr. Brock asked "The insurance we had at the time of the incident?" Mr. Davis said yes. He said the only time the tail coverage issue comes into play is if you ever leave our program. No one has ever left our program. They have the ability to provide the tail coverage.

Mrs. Corkrum said she is going to listen to your proposal and then she would like to have a workshop with the two board members and go over some questions in writing.

Mr. Brock asked about the \$412,000 cost figure. Mr. Scott said if you choose to join the program for a \$1000 deductible, that's where the pricing would be in our program.

Mr. Brock asked about the assets to liability ratio. Mr. Davis will find out the figure.

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Mrs. Corkrum asked about the settlement in a Grant County case regarding indigent defense. Mr. Davis will find out.

Mrs. Corkrum said it seems like the low deductible counties wouldn't have any incentive to have risk management. Mr. Davis explained what risk management training is available.

Mrs. Corkrum asked what the exclusions are. Mr. Davis said if you took our program and your current program and looked at the exclusions, it would probably be an exact mirror image. This program is as broad or broader than your current program. He said terrorism coverage is excluded. However, the only way that a terrorism claim can be excluded is by meeting two criteria: The claim has to exceed \$5 million in damage and be certified by the United States president as a certified terrorist act. It has to be committed by a terrorist from a foreign country.

Mr. Brock asked if you have re-insurance. Mr. Davis said the excess carrier is St. Paul Insurance. He described St. Paul Insurance's rating. It is an aggregate stop loss policy. Mr. Davis explained how an aggregate stop loss policy works. He said the aggregate stop loss policy is a distinct difference between the current county policy and his proposal.

Chief Civil Deputy Prosecutor Ryan Verhulp joined the meeting.

Mr. Davis asked if risk management training is done for every employee in the county now. Mrs. Corkrum said it's available. However, employees have not always attended the trainings.

Mr. Davis will get the Board a cost option regarding county vehicle coverage. The current insurance arrangement is that the county's vehicles are self-insured for comprehensive and collision. Mr. Davis said for \$6500, he would be able to put physical damage coverage on every one of the county's vehicles.

Builder's Risk coverage is part of the program.

Mr. Brock asked about insurance for events held at TRAC. Mr. Davis said it's included in this program. Mr. Brock said the secondary insurance has been an issue. Mr. Davis said you don't need that in our program.

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Fundraising activities are a part of the program. Mrs. Corkrum cannot think of a situation in which that would be needed in the county.

Coverage is for \$9 million, with excess coverage of \$11 million, to make \$20 million total coverage.

Mr. Davis said the only time you would need tail coverage if you left our program is on public officials liability and employment practices. Mr. Brock asked "We wouldn't need tail coverage to cover an incident that had happened here prior to withdrawing from the program?" Mr. Davis said absolutely not. Mr. Brock asked if they would automatically be covered by the existing insurance at the time. Mr. Davis said yes.

Mr. Davis said there is no gap in coverage. If you leave, technically there is a gap in coverage but the only gap is on the public officials liability and the employment practices, which is basically the same thing.

Mr. Davis answered Mrs. Corkrum's questions about the aggregate amounts. He said the aggregate amount is per member per year. That's the most we will pay on your behalf for public officials. This isn't a shared limit with the other members of the program. The program would pay \$5 million for Franklin County in a year.

Mrs. Corkrum does not think the \$5 million coverage is enough for employment. She said the current insurance has \$25 million coverage for everything.

Mr. Davis asked the Board to review the rest of the proposal information.

Mr. Koch said the proposal states: "Quote valid until March 2." Mr. Davis said you have my word the quote is valid for October 1.

Mrs. Corkrum said it's fair to have the other insurance make a presentation. Mr. Brock and Mr. Koch agreed.

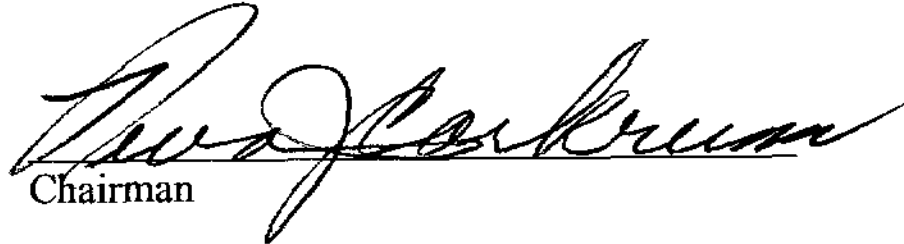
Mr. Davis said Brown and Brown of Florida now owns Canfield & Associates.

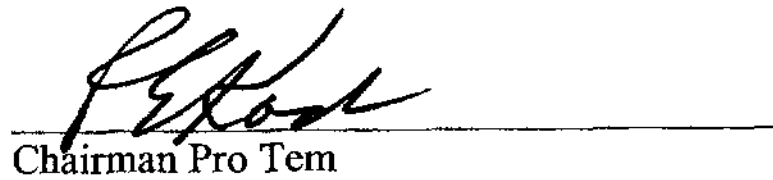
Adjourned at 2:30 p.m.

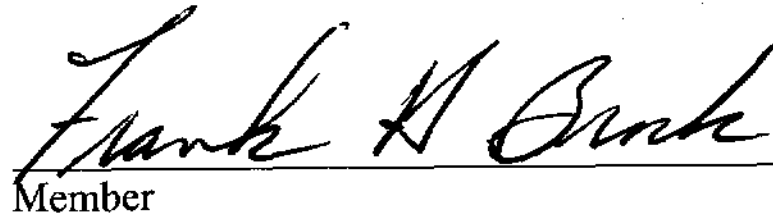
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There being no further business, the Franklin County Board of Commissioners meeting was adjourned until February 15, 2006.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON


Chairman


Chairman Pro Tem


Member

Attest:


Clerk to the Board

Approved and signed February 22, 2006.