

EXECUTIVE COMMITTEE MEETING

July 9, 2021; 9:30 a.m.

ZOOM

Executive Committee members are attending this meeting remotely via Zoom. For those wishing to view the meeting by Zoom, please click this link:

<https://us02web.zoom.us/j/88196827834?pwd=UFdSRmRUa25sa2o5Q3IMOW4xMHJXQT09>

(or copy the URL and paste into a web browser).

9:30 a.m. - Call to Order/Roll Call

Committee Attendance

Excuse Absent Committee Members

Consent Calendar:

- Executive Committee June Minutes Page 1
- April & May Expenditures Page 5
- July Claims Settlements Page 15

Action Items:

- 2022 Assessment Rates Page 17
(Includes a presentation by Craig Scukas with PWC)
- Resolution 262-21: Employee Handbook Page 24

Director's Report

- Police Legislation Page 32

Managers' Quarterly Reports:

- Jared Burbidge, Treasurer/Finance & Admin. Services Manager Page 39
- Robin Aronson, Risk Services Manager Page 41
- Patti Crane, Member Services Manager Page 42
- Harlan Stientjes, Claims Manager Page 44
- Rob Roscoe, Deputy Director Page 46

Executive Session

Claim Settlements and Litigation

EXECUTIVE COMMITTEE MEETING

June 11, 2021

Zoom

The regular meeting of the Executive Committee was attended by members, staff members and others virtually via Zoom. The public was provided access to view via Zoom with the link posted on the WCIA website.

Members Present

President Deborah Knight, Monroe; Vice President Brian Loos, Longview; Mitch Lackey, Camas; Woody Edvalson, Bonney Lake; Shelley Acero, Burlington; Wade Farris, Chelan; Paul Ellis, Arlington; and Arlene Fisher, Union Gap.

Others Present

Ann Bennett, Executive Director; Shannon Ragonesi, Counsel; Michele Neumann, Authority Secretary; Jared Burbidge, Treasurer/Finance and Administrative Services Manager; Rob Roscoe, Deputy Director; Harlan Stientjes, Claims Manager; Robin Aronson, Risk Services Manager; Patti Crane, Member Services Manager; Gordy Van, Senior Claims Adjuster; Drew Brien, Senior Claims Adjuster; Lisa Knapton, Senior Risk Representative; Tanya Crites, Senior Risk Representative; Debbi Sellers, Senior Risk Representative; Carlene Brown, Risk Representative; and Peter Kang, IT Administrator.

Committee Absence Log

April: Acero, Burlington
Vidallon, Metropolitan Park
District of Tacoma
June: Vidallon, Metropolitan Park
District of Tacoma

Call to Order

Knight called the meeting to order at 9:30 a.m. Roll was called.

Committee Attendance

Loos moved to excuse Erwin Vidallon. Farris seconded. Motion carried unanimously.

President's Appointment: Executive Committee Position #1

Knight welcomed to the Committee Police Chief Mitch Lackey (Camas) who she appointed to fill Position #1 vacated due to the resignation of Heidi Behrends Cerniwey. Lackey introduced himself and described his background. Committee members expressed their pleasure with having him on the Committee as he brings a public safety viewpoint to the table.

At the request of Knight, Bennett introduced new WCIA Claims Manager Harlan Stientjes and detailed his background.

Consent Calendar

Consent calendar items include: April 2021 Executive Committee meeting minutes; March 2021 expenses in the total amount of \$2,275,893.74; and lawsuits and/or claims settlements as of June 11, 2021, in the total amount of \$1,516,000. ***Ellis moved to approve the consent calendar. Edvalson seconded. Motion carried unanimously.***

Director's Report**• 2020 Year-end Financials**

Bennett pointed out that the unaudited 2020 WCIA Statement of Net Position as of December 31, 2020 is included in the agenda. The statement and supporting documents have been submitted to the State Risk Manager's Office and the State Auditor's Office pursuant to WAC requirements. She said WCIA's net position decreased approximately \$13 million from year end 2019, due to claim payments/reserves increasing by approximately \$9.2 million from 2019 to 2020 and also due to an approximate \$2.1 million decrease in the fair market value of investments. Bennett noted that WCIA restricts some of the net position to fund WCIA at an 80% confidence level, and that the \$5.5 million recovered from Ironshore related to a lawsuit payment is not reflected in the financials.

In response to Knight's inquiries, Bennett discussed how 2020 financially compares to past years and she emphasized the importance of risk management as a way to avoid the big claims.

• Technology Updates

Bennett announced the launch of the new WCIA website on June 1, and she highlighted the enhancements to Origami that staff is working on, which include adding the COMPACT status report and Stewardship Report to the member portal.

• WCIA Supervisor Credentialing Program

Announcing that the University of WA, Tacoma has added WCIA's Supervisor Credentialing Program classes to the approved courses for its Certified Public Manager Program, Bennett also reported favorably that another risk pool has copied WCIA's program and is offering it to its members. She stressed that this speaks highly of the education programs WCIA offers.

• Police Reform Legislation

As a result of the police reform legislation passed in the last session, Bennett stated that Risk Services and Member Services are coordinating WCIA's response to assist member police departments with implementation. Two Police Chief Forums are scheduled in June to provide for an interactive experience regarding five new laws: Tactics, Use of Force, De-certification, Duty to Intervene and Felony Bar Defense. Pointing out that the new legislation is very concerning to the members and WCIA is fielding many inquiries, Bennett indicated that WCIA is working on providing guidance on model policies to meet the new legislative criteria. Ragonesi added that Lacey has retained her to review their Lexipol policies that incorporate the legislative changes, which may result in policy templates that will assist other members as well.

• Coverage for Mental Health Professionals

Bennett reported on the multiple member inquiries regarding coverage for mental health professionals who are hired by members. She explained that the WCIA medical malpractice exclusion cites to an RCW 7.70, and in consultation with Authority Counsel, WCIA believes that if an allegation of professional malpractice were alleged, the exclusion would be triggered. Modifying WCIA's coverage to include this risk is not recommended due to the volatility of the potential exposure. WCIA is assisting members with information on purchasing the coverage and suggests members transfer the risk by contracting for these services.

EXECUTIVE COMMITTEE MEETING

June 11, 2021

Zoom

Responding to Knight's inquiry, Loos stated that Longview is considering hiring mental health professionals; however, it will occur via contract. Lackey suggested informing the membership about the exclusion.

- **Cyber Policy Renewal**

Informing that the WCIA group cyber insurance policy through AIG was renewed on May 31, 2021, Bennett invited Roscoe to brief the Committee on this item. He reported on the difficult renewal process, saying that carriers are really restricting coverage, and in the future, ransomware will probably be excluded from their policies. Roscoe highlighted the changes in the renewed group policy, which include a 20.8% increase in premium; a new member flat fee of \$3,000; an increase to member retention amounts; higher deductibles; and changes to cyber extortion and event management. Loos suggested informing the membership about the changes to the cyber policy.

- **New WCIA Staff Member**

New WCIA Claims Manager Harlan Stientjes, who began his first day on the job on June 7, was introduced to the Committee at the beginning of the meeting.

- **Future Executive Committee Meeting Format**

With COVID-19 restrictions lifting and WA State efforts to be fully re-opened at month end, Bennett requested input from Committee members regarding their preference for attending future Executive Committee meetings. She and Ragonesi indicated that meeting fully remotely or in-person with remote options are both allowed per the WA State Open Public Meetings Act.

Committee member preferences expressed are as follows: Acero: hybrid option; Edvalson: in-person with remote option; Fisher: in-person but open to both; Lackey: in-person with call-in option; Farris: in-person with remote option; Ellis: in-person with virtual option; Loos: in-person with virtual option; and Knight: in-person with virtual option for certain circumstances.

Knight concluded that in-person Executive Committee meetings will be the expectation; however, it is possible for Committee members to participate via another technology such as telephone if necessary. Knight confirmed that the July meeting will be held virtually; the August meeting is held during the in-person retreat; the September meeting most likely will be cancelled; and thus, the October meeting will be the first in-person meeting at the WCIA office.

Bennett informed that she will most likely not attend the retreat because she has been asked by GEM (Government Entities Mutual) to travel to London to be a part of the member-owned reinsurance company's marketing trip. She added that the trip is dependent on whether or not England is open for travel at that time.

In response to Knight's inquiry, Bennett stated she has lifted all WCIA employee travel restrictions; however, the Risk Representatives will conduct audits and other meetings virtually for the rest of 2021 if that is the preferred method by the member. WCIA is open-minded and flexible, and she indicated that Aronson is working on figuring out new protocols as to how the Risk Representatives will hold meetings in the years to come.

EXECUTIVE COMMITTEE MEETING

June 11, 2021

Zoom

Executive Session

Farris moved to enter executive session for 70 minutes to discuss claims and litigation pursuant to RCW 42.30.110(i). Fisher seconded. Motion carried unanimously.

Committee members Knight, Loos, Lackey, Edvalson, Acero, Farris, Ellis, and Fisher entered executive session at 10:23 a.m. Staff members Bennett, Stientjes, Van, Brien, and Counsel Ragonesi were present at the session. The executive session ended at 11:13 a.m.

Fisher moved to authorize settlement authority for claims discussed and in the amounts discussed during the executive session. Ellis seconded. Motion carried unanimously.

The Committee adjourned at 11:14 a.m.

Deborah Knight, President

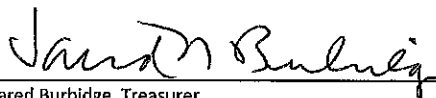
Michele Neumann, Authority Secretary

Approved on: ____/____/2021

**Washington Cities Insurance Authority
AP Listing Report
APRIL 2021**

Check Date	Check #	Payee Name	G/L Code	Description	Amount
4/16/2021	13744	BrightView Landscapes LLC	5160-00 Landscape Contract-Ext	04/21 land maint	723.36
4/16/2021	13745	CC&C SERVICES LLC	5020-02 Building Dayporter	03/21 Porter svc	385.35
4/16/2021	13746	CENTURYLINK	5145-00 Fire/Safety-Alarm Phone Lines	3/29-4/29 alarm line 751189	272.14
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	04/09-05/08 D/S-100	90.27
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	4/9-5/8 D/S-102	110.22
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	4/9-5/8 D/S-104	478.59
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	4/9-5/8 D/S-205	110.22
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	4/9-5/8 D/S-250	110.22
4/16/2021	13747	COMCAST	Owner's Expenses-Bldg Data Services	4/9-5/8 D/S-270	110.22
4/16/2021	13748	JSH PROPERTIES INC	5110-00 Property Management Fees	04/21 mgmt fee	1,750.00
4/16/2021	13749	KING COUNTY TREASURY	6110-01 Real Estate Tax	1st 1/2 2021 Re tax 022320-0060-04	1,179.98
4/16/2021	13750	PACIFIC FIRE AND SECURITY INC	5140-01 Fire & Security Sys Contract	Qtrly web hosting contract (April 2021-Jun	300.57
4/16/2021	13751	Protection 1 / ADT	7200-00 Owner's Expense	04/17-05/16 sec mon	105.61
4/16/2021	13752	PUGET SOUND ENERGY	6005-01 Electricity	2/23-3/24 elec	1,521.12
4/16/2021	13752	PUGET SOUND ENERGY	6030-01 Gas	2/23-3/24 gas	1,014.97
4/16/2021	13753	SEATTLE MAINTENANCE SERVICES	5065-010 Janitorial Contract	04/21 janit svc	2,584.06
4/16/2021	13754	Seadrunar Recycling LLC	6035-00 Trash/Recycle	03/21 recycling	201.85
4/16/2021	13755	CITY OF TUKWILA	601001 Water & Sewer	2/16-3/16 wtr/swr	350.73
4/16/2021	13756	V&R Roofing	5005-01 Roof Repair & Maint	12/20 Annual maintenance	1,331.00
4/16/2021	13757	Washington State Department of Revenue	6112-00 Leasehold Excise Tax	2021-Q1 Leasehold Excise Tax	3,011.20
4/16/2021	13758	WM Corporate Services, Inc.	6035-01 Trash/Recycle	04/21 trash rmvl	552.65
4/29/2021	13759	BRAVO CARPET CARE INC	5080-00 Carpet/Mat Cleaning	4/20 carpet cing all area/staircases	200.00
4/29/2021	13760	The Interior Foliage Company LLC	5165-00 Landscape Contract-Interior	01/21 Int plant care	242.00
4/29/2021	13760	The Interior Foliage Company LLC	5165-00 Landscape Contract-Interior	4/21 Int plant care	242.22
4/29/2021	13761	Jameson Pepple Cantu PLLC	7050-00 Legal Fees	3/11/21 legal	311.25
4/29/2021	13762	PSR MECHANICAL	5135-01 HVAC Repair & Maint	04/21 HVAC maint	487.19
4/29/2021	13763	Springtime Enterprises, LLC	5185-00 Lot Sweeping	04/21 sweeping	66.76
4/29/2021	13764	Western Exterminator	5105-00 Pest Control	04/07 pest ctrl	123.59

Total April Expenses: 17,967.34


Jared Burbidge, Treasurer


Ann Bennett, Executive Director

Approved by the Executive Committee/Board of Directors:

Date

Deborah Knight, President


**Washington Cities Insurance Authority
Invoice Approval Listing
04/30/2021**

The following voucher/warrants/electronic payments are approved for payment:

Date	Number	Vendor Name	Amount
04/21/2021	3	Bank of America	\$ 7,169.58
04/01/2021	41552	Sound Employment Solutions, LLC	\$ 2,700.00
04/01/2021	41553	The Wall Street Journal	\$ 539.88
04/01/2021	41554	Crystal Springs	\$ 50.60
04/01/2021	41555	Quadient Leasing USA, Inc	\$ 1,856.29
04/06/2021	41556	Sedgwick Claims Management Services Inc	\$ 6,409.08
04/06/2021	41557	Lisa Thatcher	\$ 2,000.00
04/06/2021	41558	Access	\$ 151.02
04/06/2021	41559	Verizon Wireless	\$ 1,020.54
04/06/2021	41560	Michele. Neumann	\$ 95.22
04/06/2021	41561	Seitel Systems, LLC	\$ 858.11
04/06/2021	41562	Seitel Systems, LLC	\$ 415.00
04/06/2021	41563	Law, Lyman, Daniel, Kamerrer & Bogdanovic	\$ 3,577.00
04/06/2021	41564	Marsh USA, Inc.	\$ 2,292.99
04/06/2021	41565	WAPRO_	\$ 60.00
04/08/2021	41566	Keating, Bucklin & McCormack, PS	\$ 14,379.20
04/08/2021	41567	WAPRO_	\$ 60.00
04/08/2021	41568	Quadient Finance USA Inc	\$ 67.00
04/08/2021	41569	Sedgwick Claims Management Services Inc	\$ 1,449.64
04/13/2021	41570	Connie Poulsen	\$ 2,750.00
04/13/2021	41571	Two Pollard Design	\$ 200.00
04/13/2021	41572	Specialty Warehouse, LTD	\$ 275.00
04/13/2021	41573	Hackett, Beecher & Hart	\$ 1,825.00
04/13/2021	41574	Sedgwick Claims Management Services Inc	\$ 2,281.72
04/13/2021	41575	Keating, Bucklin & McCormack, PS	\$ 608.00
04/15/2021	41576	Sedgwick Claims Management Services Inc	\$ 2,429.98
04/20/2021	41577	Aperture EQ LLC	\$ 2,600.00
04/20/2021	41578	City of Cashmere	\$ 11,432.32
04/20/2021	41579	City of Walla Walla	\$ 389,236.94
04/20/2021	41580	Specialty Warehouse, LTD	\$ 275.00
04/20/2021	41581	Specialty Warehouse, LTD	\$ 825.00
04/20/2021	41582	Connie Poulsen	\$ 2,750.00
04/20/2021	41583	Summit Law Group	\$ 1,440.50
04/22/2021	41584	Summit Law Group	\$ 971.50
04/22/2021	41585	Sedgwick Claims Management Services Inc	\$ 1,234.14
04/22/2021	41586	Aperture EQ LLC	\$ 4,200.00
04/22/2021	41587	Seabold Group	\$ 9,432.50
04/22/2021	41588	Williams Kastner	\$ 691.50
04/22/2021	41589	Summit Law Group	\$ 31,072.75
04/27/2021	41590	Sedgwick Claims Management Services Inc	\$ 1,476.00
04/27/2021	41591	Summit Law Group	\$ 44,021.68
04/27/2021	41592	Connie Poulsen	\$ 2,750.00
04/27/2021	41593	Crystal Springs	\$ 45.49
04/27/2021	41594	Ogden Murphy Wallace P.L.L.C.	\$ 140.00
04/27/2021	41595	Ogden Murphy Wallace P.L.L.C.	\$ 735.00
04/27/2021	41596	Miller Nash Graham & Dunn LLP	\$ 552.50
04/27/2021	41597	Valley Communications Center_	\$ 140.00
04/27/2021	41598	City of Longview	\$ 100.00
04/27/2021	41599	City of Cheney	\$ 175.00
04/27/2021	41600	City of Ferndale	\$ 1,000.00
04/27/2021	41601	City of Anacortes	\$ 35.00
04/27/2021	41602	Skagit 911_	\$ 493.46
04/29/2021	41603	Evergreen Adjustment Service, Inc.	\$ 1,081.50
04/29/2021	41604	BDS Planning & Urban Design Inc.	\$ 3,000.00
04/29/2021	41605	Sedgwick Claims Management Services Inc	\$ 532.00

Washington Cities Insurance Authority
Invoice Approval Listing
04/30/2021

Date	Number	Vendor Name	Amount
04/29/2021	41606	Summit Law Group	\$ 13,019.25
04/29/2021	41607	Summit Law Group	\$ 6,698.75
04/29/2021	41608	Evans, Craven & Lackie, P.S.	\$ 360.00
04/29/2021	41609	City of Washougal	\$ 600.00
04/29/2021	41610	City of Lynnwood_	\$ 315.00
04/29/2021	41611	City of Grandview	\$ 1,581.15
04/29/2021	41612	CRESA_	\$ 307.91
04/29/2021	41613	City of Mercer Island	\$ 95.00
04/29/2021	41614	City of Washougal	\$ 140.00
04/29/2021	41615	Grays Harbor Communications E9-1-1	\$ 35.00
04/29/2021	41616	City of Olympia	\$ 475.00
04/29/2021	41617	City of Sumas	\$ 35.00
04/29/2021	41618	City of Auburn	\$ 3,100.00
04/29/2021	41619	City of College Place	\$ 175.00
04/29/2021	41620	City of Cheney	\$ 75.00
04/29/2021	41621	City of Pasco	\$ 35.00
04/29/2021	41622	City of Port Townsend	\$ 105.00
04/29/2021	41623	City of Stanwood	\$ 900.00
04/29/2021	41624	City of Bothell	\$ 1,000.00
04/29/2021	41625	City of Lynnwood_	\$ 100.00
04/29/2021	41626	City of Duvall	\$ 1,000.00
04/29/2021	41627	Silver Lake Water & Sewer District	\$ 380.03
04/29/2021	41628	City of Covington	\$ 70.00
04/29/2021	41629	City of Anacortes	\$ 2,000.00
04/29/2021	41630	City of Anacortes	\$ 900.00
04/29/2021	41631	City of Mountlake Terrace	\$ 314.00
		Subtotal - General Checking	\$ 601,776.72
04/30/2021	Payroll	Payroll Transactions	214,215.00
		Personnel Benefits	80,822.02
		Subtotal - Operating Fund Expenses	\$ 295,037.02
04/30/2021	Claims	Claims Payments Made April	\$ 1,442,762.36
		Subtotal - Claims	
		Total - April Expenses	\$ 2,339,576.10


 Jared Burbidge, Treasurer


 Ann Bennett, Executive Director

Approved by the Executive Committee/Board of Directors:

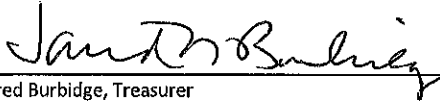
 Date

 Deborah Knight, President

**Washington Cities Insurance Authority
AP Listing Report
MAY 2021**

Check Date	Check #	Payee Name	G/L Code	Description	Amount
5/13/2021	13765	Brady Maintenance & Handyman Svcs Inc	5026-00 Lighting Maint/Supplies	rplc t-8 light bulbs	750.08
5/13/2021	13766	BrightView Landscapes LLC	5160-00 Landscape Contract-Ext	05/21 land maint	723.36
5/13/2021	13767	CC&C SERVICES LLC	5020-02 Building Dayporter	04/21 Porter Svc	385.35
5/13/2021	13768	CENTURYLINK	5145-00 Fire/Safety-Alarm Phone Lines	4/29-5/29 alarm llne 751189	273.60
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	5/9-6/8 D/S-205	110.22
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	5/9-6/8 D/S-104	478.60
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	05/09-06/08 D/S-250	110.22
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	05/09-06/08 D/S-270	110.22
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	05/09-06/08 D/S-100	90.27
5/13/2021	13769	COMCAST	7200-07 Bldg Data Services	05/09-06/08 D/S-102	110.22
5/13/2021	13770	JSH PROPERTIES INC	5110-00 Property Management Fees	05/21 Mgmt Fee	1,750.00
5/13/2021	13771	Protection 1 / ADT	7200-00 Owner's Expense	5/17-6/16 sec mon	105.61
5/13/2021	13772	PUGET SOUND ENERGY	6005-01 Electricity	3/24-4/23 elec	1,482.70
5/13/2021	13772	PUGET SOUND ENERGY	6030-01 Gas	3/24-4/23 gas	766.63
5/13/2021	13773	SEATTLE MAINTENANCE SERVICES	5065-01 Janitorial Contract	05/21 janit svc	2,584.06
5/13/2021	13774	Seadrunar Recycling LLC	6035-00 Trash/Recycle	04/21 recycling	272.94
5/13/2021	13775	CITY OF TUKWILA	6010-01 Water & Sewer	3/16-4/14 wtr/swr	350.73
5/13/2021	13776	WM Corporate Services, Inc.	6035-00 Trash/Recycle	04/21 trash rmvl	552.65
5/26/2021	13777	BrightView Landscapes LLC	5170-00 Landscaping R&M	2021 Irrigation Repairs	557.95
5/26/2021	13778	CC&C SERVICES LLC	5020-02 Building Dayporter	5/21 Porter svc	385.35
5/26/2021	13779	The Interior Foliage Company LLC	5165-00 Landscape Contract-Interior	05/21 int plant care	242.22
5/26/2021	13780	Performance Systems Integration LLC	5155-00 Fire/Security R & M	FA Battery Replacement	828.88
5/26/2021	13781	SEATTLE MAINTENANCE SERVICES	5070-01 Janitorial Supplies	05/21 jan spls	375.88
5/26/2021	13782	Springtime Enterprises, LLC	5185-00 Lot Sweeping	05/21 sweeping	66.76
5/26/2021	13783	Western Exterminator	5105-00 Pest Control	05/04 pest control	123.70
5/27/2021	13784	Accountable Healthcare Staffing, Inc.	2060-00 Clearing-Tenant Deposits	Sec Dep Refund Q-355014	-0.69
5/27/2021	13784	Accountable Healthcare Staffing, Inc.	2060-00 Clearing-Tenant Deposits	Sec Dep Refund Q-355014	-1,319.00
5/27/2021	13784	Accountable Healthcare Staffing, Inc.	2060-00 Clearing-Tenant Deposits	Sec Dep Refund Q-355014	-484.00
5/27/2021	13784	Accountable Healthcare Staffing, Inc.	2060-00 Clearing-Tenant Deposits	Sec Dep Refund Q-355014	3,508.36

Total May Expenses: 15,292.87


Jared Burbidge, Treasurer


Ann Bennett, Executive Director

Approved by the Executive Committee/Board of Directors:

Date

Deborah Knight, President

Washington Cities Insurance Authority
Invoice Approval Listing
05/31/2021

The following voucher/warrants/electronic payments are approved for payment:

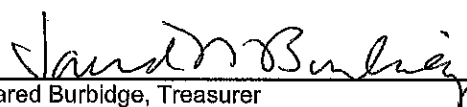
Date	Number	Vendor Name	Amount
05/21/2021	5	Bank of America	\$ 2,300.25
05/04/2021	41632	Sedgwick Claims Management Services Inc	\$ 3,740.56
05/04/2021	41633	Sedgwick Claims Management Services Inc	\$ 4,950.00
05/04/2021	41634	Marsh USA, Inc.	\$ 478.00
05/04/2021	41635	Connie Poulsen	\$ 2,750.00
05/04/2021	41636	CivicPlus, LLC	\$ 17,574.24
05/04/2021	41637	Haggard & Ganson LLP	\$ 2,901.25
05/04/2021	41638	Law Offices of Rick Kaiser, PLLC	\$ 243.00
05/04/2021	41639	Sedgwick Claims Management Services Inc	\$ 3,681.10
05/04/2021	41640	Lisa Thatcher	\$ 2,000.00
05/04/2021	41641	City of Everson	\$ 3,004.29
05/04/2021	41642	City of Richland	\$ 165.00
05/04/2021	41643	Grays Harbor Communications E9-1-1	\$ 140.00
05/04/2021	41644	City of Lakewood	\$ 360.00
05/04/2021	41645	City of Battle Ground	\$ 1,208.00
05/04/2021	41646	City of Snohomish	\$ 2,600.00
05/04/2021	41647	City of Stanwood	\$ 400.00
05/04/2021	41648	City of Ridgefield	\$ 140.00
05/04/2021	41649	City of Milton	\$ 210.00
05/04/2021	41650	City of Monroe	\$ 140.00
05/06/2021	41651	Verizon Wireless	\$ 1,020.80
05/06/2021	41652	Insight	\$ 714.11
05/06/2021	41653	Access	\$ 171.11
05/06/2021	41654	Wells Fargo Bank, N.A.	\$ 875.00
05/06/2021	41655	Law, Lyman, Daniel, Kamerrer & Bogdanovic	\$ 1,935.50
05/06/2021	41656	HCA Asset Management, LLC	\$ 34,000.00
05/06/2021	41657	Marsh USA, Inc.	\$ 692.00
05/11/2021	41658	City of Mercer Island	\$ 400.00
05/11/2021	41659	City of Monroe	\$ 400.00
05/11/2021	41660	City of Bainbridge Island	\$ 600.00
05/11/2021	41661	City of Lynnwood_	\$ 652.00
05/11/2021	41662	City of Port Townsend	\$ 145.00
05/11/2021	41663	City of Pullman	\$ 175.00
05/11/2021	41664	City of Mercer Island	\$ 35.00
05/11/2021	41665	City of Pasco	\$ 4,595.00
05/11/2021	41666	City of Lynnwood_	\$ 550.00
05/11/2021	41667	Keating, Bucklin & McCormack, PS	\$ 2,097.80
05/11/2021	41668	Aperture EQ LLC	\$ 5,200.00
05/11/2021	41669	Specialty Warehouse, LTD	\$ 412.50
05/11/2021	41670	Seitel Systems, LLC	\$ 367.50
05/11/2021	41671	Hackett, Beecher & Hart	\$ 1,400.00
05/11/2021	41672	Haggard & Ganson LLP	\$ 2,420.00
05/11/2021	41673	Fisher Phillips	\$ 1,050.00
05/11/2021	41674	City of Kirkland	\$ 315.00
05/13/2021	41675	Sedgwick Claims Management Services Inc	\$ 2,873.38
05/13/2021	41676	City of Sumas	\$ 3,399.98
05/13/2021	41677	Keating, Bucklin & McCormack, PS	\$ 6,475.20
05/13/2021	41678	City of Bainbridge Island	\$ 125.00
05/13/2021	41679	City of Olympia	\$ 200.00
05/13/2021	41680	City of Arlington	\$ 35.00
05/13/2021	41681	City of Auburn	\$ 400.00
05/13/2021	41682	City of Burien	\$ 305.00
05/13/2021	41683	City of Othello	\$ 30.00
05/13/2021	41684	City of Milton	\$ 200.00
05/13/2021	41685	City of Kirkland	\$ 6,000.00

Washington Cities Insurance Authority
Invoice Approval Listing
05/31/2021

Date	Number	Vendor Name	Amount
05/13/2021	41686	Keating, Bucklin & McCormack, PS	\$ 7,094.00
05/13/2021	41687	City of Arlington	\$ 200.00
05/13/2021	41688	City of Longview	\$ 35.00
05/13/2021	41689	City of Bothell	\$ 1,500.00
05/13/2021	41690	City of Auburn	\$ 200.00
05/13/2021	41691	Sedgwick Claims Management Services Inc	\$ 997.50
05/18/2021	41692	Sedgwick Claims Management Services Inc	\$ 5,097.10
05/18/2021	41693	City of Battle Ground	\$ 200.00
05/18/2021	41694	Town of LaConner	\$ 375.00
05/18/2021	41695	City of Bonney Lake	\$ 305.00
05/18/2021	41696	Sedgwick Claims Management Services Inc	\$ 1,818.29
05/18/2021	41697	City of Westport_	\$ 40.00
05/18/2021	41698	City of Olympia	\$ 400.00
05/18/2021	41699	City of McCleary	\$ 280.00
05/18/2021	41700	City of College Place	\$ 500.00
05/18/2021	41701	Haggard & Ganson LLP	\$ 1,265.00
05/18/2021	41702	Quadient Finance USA Inc	\$ 63.00
05/20/2021	41703	Pacific Office Automation	\$ 80.60
05/20/2021	41704	The Seattle Times	\$ 343.20
05/20/2021	41705	Sound Employment Solutions, LLC	\$ 3,600.00
05/20/2021	41706	Connie Poulsen	\$ 2,750.00
05/20/2021	41707	Aperture EQ LLC	\$ 2,600.00
05/20/2021	41708	City of Washougal	\$ 166.16
05/20/2021	41709	City of Brier_	\$ 400.00
05/20/2021	41710	City of Monroe	\$ 140.00
05/20/2021	41711	City of Burien	\$ 105.00
05/20/2021	41712	City of Anacortes	\$ 200.00
05/20/2021	41713	City of Othello	\$ 580.00
05/20/2021	41714	Quadient Inc	\$ 22.28
05/20/2021	41715	Sedgwick Claims Management Services Inc	\$ 1,928.08
05/20/2021	41716	City of Burien	\$ 290.00
05/20/2021	41717	City of Tumwater	\$ 1,000.00
05/20/2021	41718	City of Pasco	\$ 250.00
05/20/2021	41719	City of Longview	\$ 140.00
05/20/2021	41720	City of Stevenson	\$ 100.00
05/20/2021	41721	Summit Law Group	\$ 335.00
05/25/2021	41722	City of Lacey	\$ 4,797.15
05/25/2021	41723	City of Pullman	\$ 175.00
05/25/2021	41724	City of Arlington	\$ 2,855.60
05/25/2021	41725	City of Mercer Island	\$ 50.00
05/25/2021	41726	City of Walla Walla	\$ 600.00
05/25/2021	41727	City of Zillah	\$ 500.00
05/25/2021	41728	Marsh USA, Inc.	\$ 441.00
05/25/2021	41729	Phillip C. Baber, CPA	\$ 21,165.00
05/25/2021	41730	Cvent, Inc	\$ 11,475.32
05/25/2021	41731	Sedgwick Claims Management Services Inc	\$ 133.00
05/25/2021	41732	City of Everson	\$ 500.00
05/27/2021	41733	Sedgwick Claims Management Services Inc	\$ 1,045.00
05/27/2021	41734	Tukwila Pool MPD	\$ 137.50
05/27/2021	41735	Sedgwick Claims Management Services Inc	\$ 1,328.88
05/27/2021	41736	Crystal Springs	\$ 46.15
05/27/2021	41737	American Public Works Association	\$ 240.00
		Subtotal - General Checking	\$ 210,142.18

Washington Cities Insurance Authority
Invoice Approval Listing
05/31/2021

Date	Number	Vendor Name	Amount
05/31/2021	Payroll	Payroll Transactions	214,760.00
		Personnel Benefits	80,960.46
		Subtotal - Operating Fund Expenses	\$ 295,720.46
05/31/2021	Claims	Claims Payments Made May	\$ 2,305,359.59
		Subtotal - Claims	
		Total - May Expenses	\$ 2,811,222.23



 Jared Burbidge, Treasurer



 Ann Bennett, Executive Director

Approved by the Executive Committee/Board of Directors:

 Date

 Deborah Knight, President

Washington Cities Insurance Authority
Budget Comparison-Claims Administration
 January through May 2021

	<u>Jan - May 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Expense				
701 · Personnel Services	149,192.78	576,071.00	-426,878.22	25.9%
711 · Personnel Benefits	60,303.50	246,289.00	-185,985.50	24.5%
731 · Claims Administration	96,583.29	520,000.00	-423,416.71	18.6%
801 · Supplies	15.40	2,500.00	-2,484.60	0.6%
807 · Transportation/Per Diem		15,700.00	-15,700.00	
817 · Dues/Conferences/Subscriptions		3,000.00	-3,000.00	
825 · Records Retention	1,512.50	1,500.00	12.50	100.8%
Total Expense	<u>307,607.47</u>	<u>1,365,060.00</u>	<u>-1,057,452.53</u>	<u>22.5%</u>
Net Ordinary Income	<u>-307,607.47</u>	<u>-1,365,060.00</u>	<u>1,057,452.53</u>	<u>22.5%</u>
Net Income	<u><u>-307,607.47</u></u>	<u><u>-1,365,060.00</u></u>	<u><u>1,057,452.53</u></u>	<u><u>22.5%</u></u>

Washington Cities Insurance Authority
Budget Comparison - General Administration
 January through May 2021

	Jan - May 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
6560 · Payroll Expenses	824.47		824.47	100.0%
701 · Personnel Services	259,955.13	1,033,150.00	-773,194.87	25.2%
711 · Personnel Benefits	95,866.18	387,275.00	-291,408.82	24.8%
713 · Vehicle Allowance	1,500.00	6,000.00	-4,500.00	25.0%
721 · Legal Services	15,940.00	72,000.00	-56,060.00	22.1%
723 · Financial Services	22,448.30	30,000.00	-7,551.70	74.8%
725 · Audit Services		20,000.00	-20,000.00	
727 · Actuarial Services		50,000.00	-50,000.00	
729 · Consulting Services	23,688.26	70,800.00	-47,111.74	33.5%
730 · Website Services	18,292.99		18,292.99	100.0%
735 · State Risk Mngmt Audit	5,860.20	11,720.00	-5,859.80	50.0%
801 · Supplies	7,371.35	64,600.00	-57,228.65	11.4%
803 · Postage	1,858.65	8,000.00	-6,141.35	23.2%
805 · Telephone	7,019.18	28,680.00	-21,660.82	24.5%
807 · Transportation/Per Diem		25,000.00	-25,000.00	
813 · Leased Equipment	3,997.58	7,000.00	-3,002.42	57.1%
814 · Software/License Fees	8,651.58	271,225.00	-262,573.42	3.2%
817 · Dues/Conferences/Subscriptions	13,598.31	29,170.00	-15,571.69	46.6%
819 · Printing	200.00	8,000.00	-7,800.00	2.5%
831 · Ex. Comm./Board Meetings		35,000.00	-35,000.00	
835 · Ex. Committee Transportation		17,000.00	-17,000.00	
879 · Computer/Equipment		55,000.00	-55,000.00	
Total Expense	487,072.18	2,229,620.00	-1,742,547.82	21.8%
Net Ordinary Income	-487,072.18	-2,229,620.00	1,742,547.82	21.8%
Net Income	-487,072.18	-2,229,620.00	1,742,547.82	21.8%

Washington Cities Insurance Authority
Budget Comparison-Member Services
 January through May 2021

	Jan - May 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
701 · Personnel Services	243,078.13	966,014.00	-722,935.87	25.2%
711 · Personnel Benefits	86,964.96	354,406.00	-267,441.04	24.5%
733 · Pre-Defense Review	189,392.33	700,000.00	-510,607.67	27.1%
801 · Supplies	-525.44	5,000.00	-5,525.44	-10.5%
807 · Transportation/Per Diem		74,500.00	-74,500.00	
817 · Dues/Conferences/Subscriptions	1,856.00	11,285.00	-9,429.00	16.4%
841 · Member Training/Seminars	218,986.61	760,000.00	-541,013.39	28.8%
842 · Risk Reduction Grant	6,404.27	150,000.00	-143,595.73	4.3%
843 · Risk Management Consulting	14,905.40	180,000.00	-165,094.60	8.3%
Total Expense	<u>761,062.26</u>	<u>3,201,205.00</u>	<u>-2,440,142.74</u>	<u>23.8%</u>
Net Ordinary Income	<u>-761,062.26</u>	<u>-3,201,205.00</u>	<u>2,440,142.74</u>	<u>23.8%</u>
Net Income	<u><u>-761,062.26</u></u>	<u><u>-3,201,205.00</u></u>	<u><u>2,440,142.74</u></u>	<u><u>23.8%</u></u>

**WCIA EXECUTIVE COMMITTEE
SETTLEMENT CONSENT AGENDA
FOR JULY 9, 2021**

The following lawsuits and/or claims are submitted for Executive Committee final review and approval of settlement:

- 1. Member:** City of Chehalis
Date of loss: January 27, 2021
Nature of claim: Driver impacted playground structure
Settlement amount: \$145,473.40
Settlement terms: Settles all property claims
- 2. Claimant name:** Kathryn Thompson
Member: City of Bainbridge Island
Date of loss: September 23, 2017
Nature of claim: Alleged injury during bicycle accident from roadway change
Settlement amount: \$665,000
Settlement terms: Full release with no admission of liability
- 3. Claimant name:** Tran Nguyen
Member: Tacoma MPD
Date of loss: July 27, 2017
Nature of claim: Accidental drowning
Settlement amount: \$2,250,000
Settlement terms: Full release with no admission of liability
- 4. Claimant name:** Ricky Lee Bounds
Member: City of Zillah
Date of loss: December 15, 2017
Nature of claim: Alleged police excessive use of force
Settlement amount: \$1,500,000
Settlement terms: Full release with no admission of liability
- 5. Claimant name:** Ricky Lee Bounds
Member: City of Toppenish
Date of loss: December 15, 2017
Nature of claim: Alleged police excessive use of force
Settlement amount: \$1,500,000
Settlement terms: Full release with no admission of liability

6. **Claimant name:** Barbara Mix
Member: City of Tumwater
Date of loss: December 6, 2016
Nature of claim: Alleged bodily injury due to roadway design
Settlement amount: \$137,500
Settlement terms: Full release with no admission of liability
7. **Claimant name:** Anatoliy & Llyubov Kulibaba
Member: City of Steilacoom
Date of loss: May 3, 2021
Nature of claim: Alleged failure to maintain sewer
Settlement amount: \$258,457.10
Settlement terms: Full release with no admission of liability

Authority President

Approved on ____/____/2021

Attest: _____

Background

GASB 10 and state regulation require that all self-insured pools use actuarial projection in determining their expected and unexpected losses and to fully fund to those projections. Each year, our actuary PwC (PricewaterhouseCoopers), determines three key calculations for WCIA:

1. Estimated needed Reserves at December 31, 2020, for all prior year's losses
2. Projected 2022 Costs (losses and expenses)
3. Group and Individual Member Assessments for 2022

Overall average percentage rate changes over the last twenty years have been as follows:

Year	Recommended Actuarial Liability Rate Change	WCIA Actual Liability Rate Change
2002	9.6%	9.6%
2003	6.1%	6.1%
2004	3.7%	3.7%
2005	8.1%	8.1%
2006	-4.6%	-4.6%
2007	-4.3%	-4.3%
2008	-3.9%	-3.9%
2009	5.6%	5.6%
2010	9.5%	5.0%
2011	4.4%	0.0%
2012	1.9%	0.0%
2013	-2.8%	-2.8%
2014	7.0%	3.0%
2015	10.1%	7.0%
2016	4.3%	2.0%
2017	11%	9.0%
2018	1.3%	1.3%
2019	5.8%	5.8%
2020	3.2%	5.0%
2021	4.3%	4.3%
2022	19.4%	

In seven of the last twenty years, member rates were subsidized with a portion of undesignated members' reserve.

Resolution 247-18 requires a 3% annual growth rate of member equity reserves, with annual review. It also requires reserves to be funded at a minimum actuarial confidence level equal to, or greater than the percent required by Washington Administrative Code (WAC) 200-100, which is currently set at 80%.

Although the indicated 2022 overall average pool rate increase is 19.4%; individual member rates vary based on losses. Individual member rate changes are capped at +15%/-15% **on top of** the overall pool rate changes. For example, the maximum rate increase for 2022 is 34.4%

(19.4% overall rate plus 15%). According to the actuary report, in 2022, nineteen members will hit the upper bound cap of 34.4% rate increase and ten members will hit the lower bound cap of 4.4% rate increase. Member loss experience is driving the capping (both positive and negative) which is a direct result of the rate formula adjustment implemented a few years ago.

Discussion

Actuarial Report

Each year the actuary determines reserves needed to cover all losses (ultimate losses and all loss expenses) of the pool (*see Attachment A*). The chart below shows the actuary's projection at "expected" and at increased confidence level intervals.

Actuarial Confidence Level	Actuarial Total Reserves Required
54% (Expected)	\$114,790,831
70%	132,161,000
75%	138,947,000
80%	147,015,000
85%	156,515,000
90%	169,557,000
95%	190,214,000
98%	215,208,000
99%	233,177,000
WCIA Reserves & Net Position at 12/31/20:	181,197,285

WCIA is funded just below the 95% confidence level and well above the 80% level required by the WAC. As a mature pool with a high self-insured retention, a higher level of funding for contingencies is prudent.

The attached graph titled Assets and Reserves History illustrates the unrestricted net position and claim reserves since 2004 (*see Attachment B*). The designated claims reserves were changed to 80% confidence level in 2019. In 2020, pool assets increased approximately \$14.9 million or 9% and unrestricted net position decreased approximately \$13.3 million or 37%.

Financial Ratios

The attached Financial Analysis Ratios are another tool to determine appropriate funding levels (*see Attachment C*).

Solvency Standard Testing

The revised Washington Administrative Code (WAC) 200-100 includes various actuarial solvency standards for risk pools in Washington State. Specifically, the WAC requires pools to obtain an annual actuarial review which provides estimates of the unpaid claims measured at the expected 80% confidence level. The State Risk Manager and State Auditor's Office annually review all pools to ensure compliance with these solvency standards.

Under the defined solvency standard, assets are compared to unpaid claims estimates. In each of the two tests, the requirement is to have more assets than unpaid claims. The unaudited results for 12/31/2020 are as follows:

1. In the first test, the unpaid claims estimate at the expected level is compared to primary assets, which are defined as cash and investments less non-claims liabilities.

Primary Assets = \$161,300,461

Unpaid Claims at Expected Confidence Level (54%) = \$114,790,831

WCIA Passes

2. The second test compares the unpaid claims estimate at the 80% confidence level with primary and secondary assets. Secondary assets are defined as insurance receivables, real estate or other assets, the value of which can be independently verified by the State Risk Manager.

Primary and Secondary Assets = \$173,328,895

Unpaid Claims at 80% Confidence Level = \$147,015,000

WCIA Passes

2022 Liability Rates

The actuary's analysis indicates a 19.4% liability rate increase for 2022 (see *Attachment D*). Roughly 1/3 of the increase is attributed to loss rate, and the remainder from the expense rate.

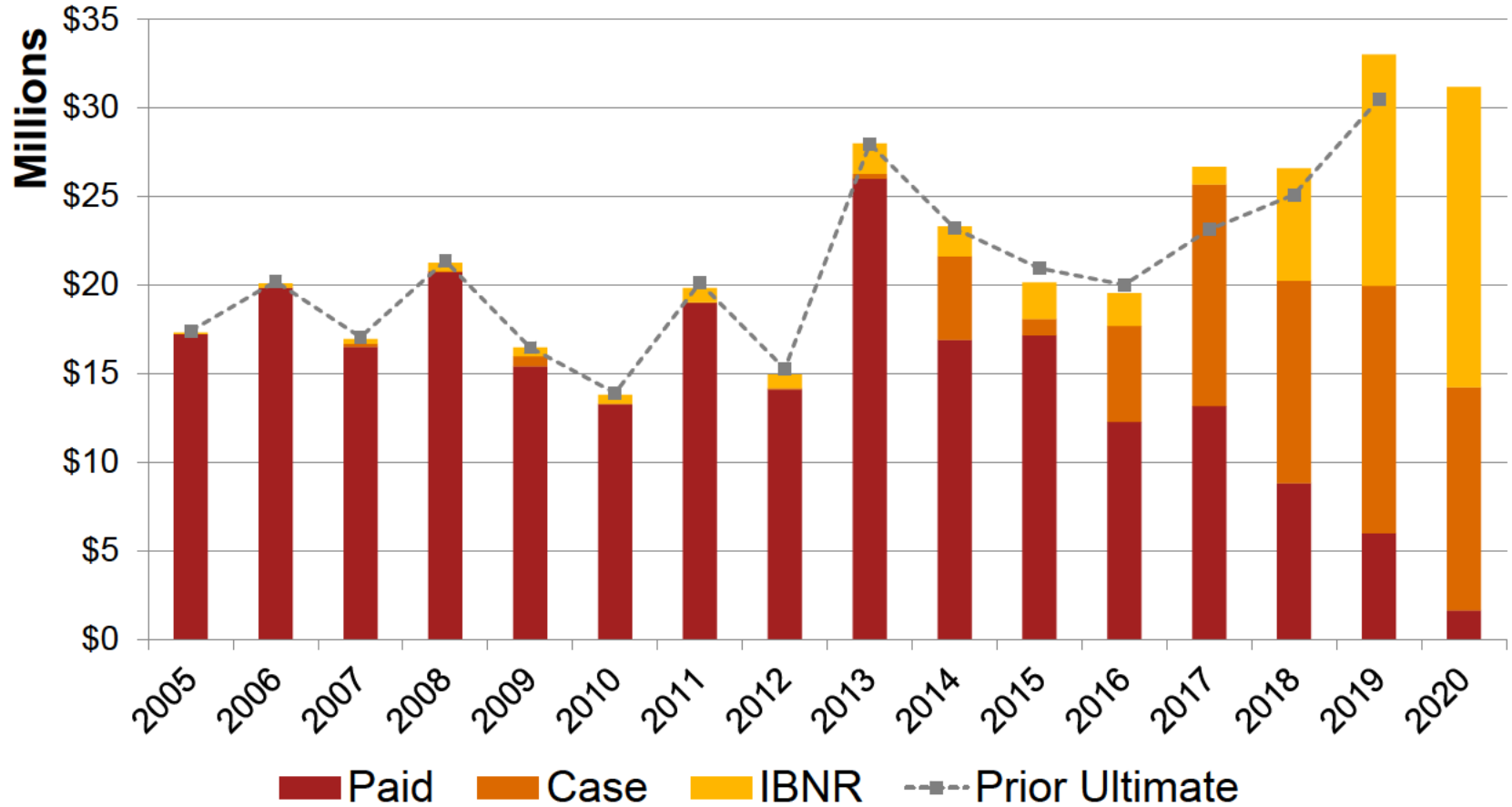
The Budget Committee met on June 25, 2021 and reviewed the indicated 19.4% liability assessment rate increase by the actuary. The Committee recommends accepting the indicated rate due to the decrease in net position, increasing claim and reinsurance expenses, and the target fund not being met.

Recommendation

Accept the actuary's indicated 19.4% increase in the assessment rate for 2022.

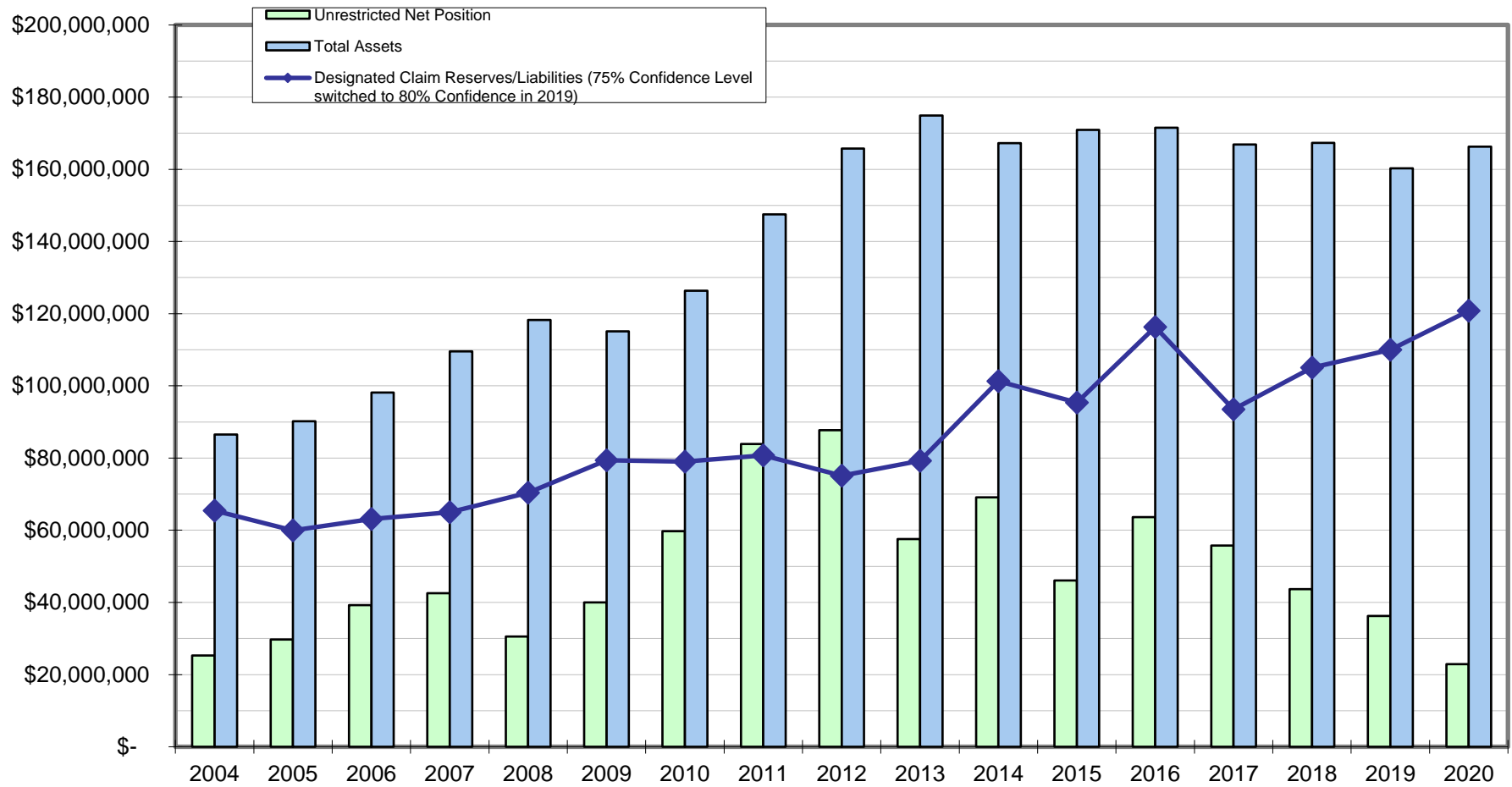
Estimated Net Ultimate Losses

Net of Deductibles



Attachment B

Washington Cities Insurance Authority Assets and Reserves History



2020 figures are unaudited.

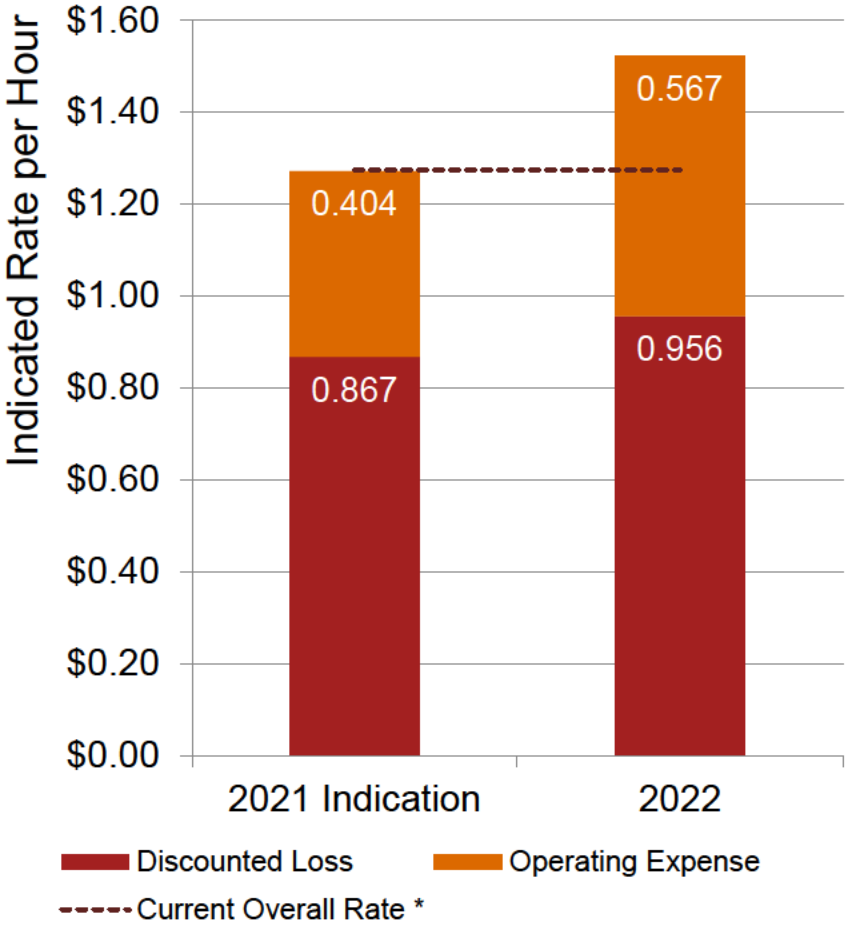
Attachment C

**Washington Cities Insurance Authority
Financial Analysis Ratios
As of June 17, 2021**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Equity - Unrestricted Net Position (Undesignated Members' Res.)	\$30,552,217	\$40,029,193	\$59,745,973	\$83,910,628	\$87,680,175	\$57,586,592	\$69,140,665	\$46,039,612	\$63,604,106	\$55,753,133	\$43,683,746	\$36,246,185	\$22,882,797
SIR (Self-Insured Retention)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Expected Losses (2 years forward)	\$26,961,974	\$26,356,148	\$23,341,730	\$20,836,000	\$20,905,000	\$23,523,000	\$23,989,000	\$23,900,000	\$23,735,000	\$25,964,000	\$25,668,000	\$30,580,000	\$31,985,000
Claims Reserve (At Expected 54% Confidence Level)	\$63,421,099	\$64,265,336	\$65,313,826	\$60,124,819	\$63,256,030	\$78,019,208	\$71,580,594	\$87,465,479	\$76,509,000	\$86,507,133	\$90,749,133	\$94,311,257	\$114,790,831
RATIOS:													
Equity/SIR (Equity should be at least 5-10 times the SIR.)	7.64	10.01	14.94	20.98	21.92	14.40	17.29	11.51	15.90	13.94	10.92	9.06	5.72
Expected Losses/Equity (The lower the better-I.e. less than 1.0 to 1.0)	0.88	0.66	0.39	0.25	0.24	0.41	0.35	0.52	0.37	0.47	0.59	0.84	1.40
Claims Reserve/Equity (The lower the better-I.e. typical range is 0.5 to 2.0)	2.08	1.61	1.09	0.72	0.72	1.35	1.04	1.90	1.20	1.55	2.08	2.60	5.02
Change in Member Equity (Not more than a 10% reduction in equity.)	-28.19%	31.02%	49.26%	40.45%	4.49%	-34.32%	20.06%	-33.41%	38.15%	-12.34%	-21.65%	-17.03%	-36.87%
Change in Claims Reserve (Not more than a 25% increase in prior year's loss reserve.)	19.12%	1.33%	1.63%	-7.94%	5.21%	23.34%	-8.25%	22.19%	-12.53%	13.07%	4.90%	3.93%	21.71%

Prepared 6/17/21 - 2020 is unaudited

Change in Indicated Rates



+19.4% overall rate indication:

- +7% from discounted loss rate
- +13% from operating expense

Last Year:

- +4.3% indicated & selected change

* Current Overall Rate is based on 2021 assessment rates by member applied to current hours.

Resolution 262-21: Employee Handbook

Background

WCIA established written personnel policies in April 1989, through Resolution 103-89. Since 1989, the policies have been amended and updated many times to incorporate changing employment laws and the needs of the Authority. The policies were last updated in December 2019 through Resolution 256-19.

Discussion

The following changes are incorporated in the WCIA Employee Handbook as attached:

- Removed the word “exempt” from the opening paragraph of the telework policy which enables all employees to be eligible for telework as long as their job responsibilities are suited to such an arrangement, and they meet eligibility criteria;
- Added language to allow management employees to telework more than eight hours in a work week, and enables them to retain their offices if they telework more than sixteen hours in a work week;
- Updated various elements of the telework policy for legibility and accuracy;
- Updated the pay period definition to match current practice;
- Added the Juneteenth Holiday to the list of paid holidays and updated the language in the Holidays section for clarity.

Modifications to the telework policy are required in order to permanently adopt many of the temporary policies that were established during the pandemic. Temporary adoption of telework while the office was closed demonstrated that many functions and workflows can be accomplished remotely. Advances in technology make it possible to route calls and conduct meetings away from the office. Offering expanded telework supports agency goals for recruitment and retention. Based on survey results, staff who telework are able to meet member needs as member satisfaction remains high.

A recent change of payroll providers prompted adjustments to the payroll periods to enable staff to process payroll and account for leave in advance of pay day, which is the last working day of each month.

In May 2021, Governor Inslee signed HB 1016 making June 19th a paid legal holiday for WA State workers starting in 2022. Other private and public entities followed suit to recognize the day that marks the end of slavery in the United States. WCIA strives to follow membership in personnel policies and practices. The first opportunity to recognize the new paid holiday is June 19, 2022.

Recommendation

Approval of Resolution 262-21 amending the Washington Cities Insurance Authority Employee Handbook.

RESOLUTION 262-21

A Resolution to amend the Employee Handbook of the Washington Cities Insurance Authority

WHEREAS, there is a need for clear, written policies and procedures to promote consistency of operations and treatment of employees; and,

WHEREAS, said policies are an effective communications tool in understanding the benefits available to employees, and expectations of management; and,

WHEREAS, an employee handbook is an efficient tool in conveying to employees, the benefits, personnel policies and procedures all of which will be applied in a fair, consistent and non-discriminatory manner; and,

WHEREAS, said policies require periodic revisions updating current personnel laws and regulations; and,

WHEREAS, WCIA desires to attract and retain talented employees;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE WASHINGTON CITIES INSURANCE AUTHORITY:**

The attached Employee Handbook herein incorporated by reference be adopted and continue until amended.

Date

Deborah Knight, President
Washington Cities Insurance Authority



Employee Handbook

Employment Status

Classifications of Employees

Wage rates or salary and benefits can be affected, in part, by the employee's classification. The following are the most common employee classifications used by the WCIA. An employee may fall into more than one of these categories:

1. Orientation Employee: A regular employee who has been in his or her position for less than six months.
2. Regular, Full-Time Employee: An employee who is regularly scheduled to work at least 40 hours per week and who has successfully completed his or her orientation.
3. Regular, Part-Time Employee: An employee who is regularly scheduled to work less than 40 hours per week and who has successfully completed his or her orientation period.
4. Casual or On-Call Employee: An employee who is hired to work on an intermittent or as-needed basis.
5. Temporary Employee: An employee who is hired with the expectation that he or she will be needed for a limited period of time, generally not more than three months.
6. Nonexempt Employee: An employee whose duties render his or her job eligible for overtime pay for all hours actually worked in excess of forty hours in a week in accordance with applicable federal and state wage and hour laws.
7. Exempt Employee: An employee who is paid a fixed salary on a weekly, monthly, or annual basis and whose duties meet the criteria for exclusion under the applicable federal and state wage and hour laws, including but not limited to, executive, administrative, or professional employees. An exempt employee is not eligible to receive overtime pay.

Orientation Period

The initial employment period is considered an orientation period, during which the employee's manager should be observing his or her ability to satisfy both general and specific job requirements. The orientation period will generally last six months. During or at the end of the orientation period, the employee's performance should be formally evaluated, and a decision made concerning regular employment. Satisfactory completion of the orientation period does not alter the at-will nature of the employment relationship with WCIA.

Nonexempt employees working more than five hours in a day are required to take a meal break two to five hours into their shift. The normal meal break is a 60-minute unpaid period. Any nonexempt employee who works more than ten hours in a day is required to take a second 30 minute unpaid meal period around the middle of the second five hour period.

Any nonexempt employee who is unable to take his or her rest or meal period must notify his or her supervisor promptly so that WCIA can reschedule the break/meal period or otherwise ensure that the employee receives proper compensation.

Telework

Teleworking is the use of telecommunications and computer technologies to allow ~~exempt~~ employees to work at home, or to access work remotely, for at least part of the workweek on a regular or intermittent basis. In general, teleworking is a privilege that is granted on an individual basis under appropriate circumstances to employees whose job responsibilities are suited to such an arrangement and who meet eligibility criteria.

Teleworking is a voluntary work privilege agreed to by an employee and their manager. It does not change the basic terms and conditions of employment, including salary, benefits, responsibilities, and leave. If an employee is interested in teleworking they must complete the Telework Selection Guide and Telework Office Checklist and submit them to their manager. The manager will then discuss teleworking with the Executive Director for final approval.

Employees approved for telework shall sign a Telework Agreement outlining tasks, hours of work, location of remote work area, equipment, and other applicable conditions. Upon approval, the agreement will be evaluated after the first three months and periodically thereafter as determined by the employee's manager and may be terminated at any time if the agreement is unsatisfactory to either the employee, manager, or Executive Director. Teleworking does not change the number of hours an employee is expected to work. Any changes in work hours must be approved in advance by the Executive Director.

All Telework hours are performed during assigned core work hours, which currently are 8:00 am to 5:00 pm. Telework may be performed regularly or on an intermittent basis. Intermittent telework periods shall be pre-approved by the employees' manager as needs arise. Employees are expected in the office to accommodate any scheduled meetings.

Employees who ~~choose to~~ telework more than sixteen hours a week shall not be provided a dedicated office space at the WCIA office. WCIA shall provide teleworkers a generic area to perform work when they are in the office. The generic area will consist of a desk, chair, power, ~~phone,~~ and internet connectivity. Management employees in Salary Band D and above shall retain their offices even if they telework more than sixteen hours a week. may only telework a maximum eight hours a week unless approved in advance by the Executive Director.

Teleworkers must continue to take sick or vacation leave for absences during the workday that require them to be away from their approved telework space (i.e. Medical appointments, personal errands, etc.). Telework is not a substitute for dependent care. Teleworkers will not be available during telework hours to provide dependent care unless approved leave is granted.

Compensation

Pay Periods and Paydays

WCIA's pay periods are monthly. ~~The p~~Pay periods end on the 25th last day of the month and pay_{days} normally occur on the last working day of the month but no later than the fifth of the following month. WCIA will not issue paychecks early except in emergency situations. The Executive Director will determine if an employee's request for an early paycheck qualifies as an "emergency".

Payroll Deductions

The law requires the following payroll deductions: Medicare, federal income tax, PERS contributions, labor and industries tax, Family & Medical Leave tax, contribution toward medical benefits (if applicable) and court-ordered garnishments. Other deductions may require an employee's written authorization. Examples of additional deductions may include deferred compensation plan contributions.

Overtime

Occasionally some overtime may be required of nonexempt employees. Working assigned overtime is an important part of each nonexempt employee's job responsibilities. All overtime work must be authorized in writing in advance by a manager, unless due to an emergency, in which case approval must be obtained as soon as reasonably possible. Nonexempt employees must record all overtime worked on their timecards. The overtime rate is one-and one-half times the regular rate of pay for all hours actually worked over 40 hours in one week. Time that is paid, but not actually worked, like sick leave, vacation, or holidays, does not count as "hours worked" when computing overtime. Nonexempt employees are prohibited from engaging in "off-the-clock" work.

A nonexempt employee may request compensatory time off in lieu of overtime payment. Compensatory time off must be requested by the employee and authorized by the Executive Director. Compensatory time is accrued at the rate of one and one-half (1.5) hours for each hour of overtime work. Compensatory time must be used within thirty (30) calendar days of the time it was earned and authorized. Any accrued compensatory time not used within thirty (30) calendar days or prior to an employee's termination from service will be paid for on the next paycheck.

Exempt employees are expected to work whatever hours are necessary to complete their work. They do not receive overtime compensation or comp time.

Time Off

Holidays

WCIA observes the following paid holidays for all regular, full-time employees:

<u>New Year's Day</u>	<u>Martin Luther King, Jr.'s Birthday</u>
<u>Presidents' Day</u>	<u>Memorial Day</u>
<u>Juneteenth</u>	Independence Day
<u>Labor Day</u>	<u>Veteran's Day</u>
<u>Thanksgiving</u>	<u>Friday after Thanksgiving</u>
Christmas Day	One Floating Holiday

If ~~a one of these~~ holidays falls on a Saturday, the preceding Friday will be recognized as the holiday. If ~~a one of these~~ holidays falls on a Sunday, the following Monday will be recognized as the holiday. If ~~a one of these~~ holidays falls occurs during an employee's vacation, the holiday will not count as a vacation day. In order to receive holiday pay, an employee must have worked the last scheduled work day before and after the holiday, unless they are using on-approved vacation or using sick leave ~~for an authorized reason~~.

An employee may select one floating holiday during each calendar year provided that the employee has been continuously employed for at least ninety (90) days and the number of employees selecting a particular day off does not prevent WCIA from providing continued service.

All floating holidays must be taken in a whole day increment and may not be carried forward from one year to the next. Unused floating holidays will not be cashed out.

Employees are entitled to two unpaid holidays per calendar year for a reason of faith or conscience or an organized activity conducted under the auspices of a religious denomination, church, or religious organization. The employee may select the days on which the employee desires to take the two unpaid holidays after consultation with their manager. WCIA will grant such requests unless the employee's absence would impose an undue hardship on WCIA.

Vacation

Regular full-time employees accrue paid vacation based upon length of service. Regular part-time employees who are regularly scheduled to work at least 20 hours per week earn vacation benefits on a pro rata basis.

Although employees begin accruing vacation from the first work day, employees are ineligible to take any vacation time off until the employee has completed six months (the

July 9, 2021 Executive Committee Meeting

Police Legislation

As reported last month, staff is working to assist members in responding to recent legislation regarding police reform. The Police Chief Forums were very popular and pointed out that there are many questions and many unknowns that are not easily addressed. Unfortunately, it will likely take litigation to truly flush out the answers.

Recently, WCIA members have been highlighted in a news article pointing out some unintended consequences of HB 1310 (see attachment). Specifically, the article addressed the response to calls involving mental illness and the inability to use any force if a person is not willing to be transported for treatment. The Director and Authority Counsel recently met with AWC (Association of WA Cities) lobbyists to detail what advice we have given the membership and what potential legislative solutions could be explored in a special session to improve and clarify HB 1310.

It is anticipated that HB 1202 will be reintroduced during the next legislative session. If passed as introduced in the last session, the legislation would likely make police liability an uninsurable risk due to the exposure created. The membership responded in force last session and will be asked to do again. It has been stated that this is a must pass bill for police reform advocates. Staff will also work with AWC, the Liability Reform Coalition and our lobbyist to prepare our response.

Police say it's hands off for some mental health cases after use of force law change

NWNews

Published June 21, 2021 at 6:07 AM PDT



Austin Jenkins

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NW News Network

Joe Avalos of Olympic Health and Recovery Services says Washington's new police use of force law is making officers reluctant to assist with detaining people who have been found to meet the criteria for involuntary mental health treatment.

In Washington, the working partnership between police and crisis mental health workers is being put to the test. The reason is a new police use of force law.

On a recent afternoon in Lacey, Washington police were dispatched to a report of a domestic assault that had occurred on the street in public view. Passersby reported that a man had pushed a woman to the ground and kicked her.

When the first officer arrived, he ordered the man, who was holding a glass bottle, to his knees.

Instead, the man turned toward the officer and started yelling, according to a police report of the incident. At that point, the officer pulled out his Taser and called for back-up.

Soon a second officer arrived. And then a third. When efforts to verbally de-escalate the situation failed, the officers resorted to physical force. According to the police report, they used a two-hand, hair-hold takedown to force the man to the ground and handcuff him. He was taken to jail.

This wasn't the first time Lacey police had come into contact with the man. In fact, just the day before officers had been called to the man's apartment complex. The manager reported that he was threatening other tenants and pounding on the office door.

Ultimately, a Designated Crisis Responder (DCR) determined the man was experiencing a mental health crisis and met the criteria to be involuntarily detained. That's a high bar. The DCR must find that a person poses an imminent threat to themselves or others, or is gravely disabled.

But, unlike in similar cases in the past, this time the police did not agree to transport him to the hospital.

The sequence of events that played out in Lacey in early June – where officers walked away from someone in a mental health crisis one day, only to arrest the same person the next -- is one that police and mental health workers across Washington are warning is likely to become more common.

They say it's an unintended consequence of a new police use of force bill that passed the Legislature earlier this year. That law, [House Bill 1310](#), which takes effect July 25, was part of a [package of police accountability measures](#) adopted by majority Democrats during the 2021 session.

The use of force measure aims to address discriminatory policing and excessive force by requiring officers to act with reasonable care and use de-escalation tactics. Specifically, the new

law says officers should only resort to physical force when there's probable cause to make an arrest, to prevent an escape or to protect against an imminent threat of harm.

If there isn't an imminent threat and no crime has been committed or is about to be committed, the law says officers should consider leaving the area.

The law also instructs officers to consider the characteristics and conditions of the person, including whether they're displaying signs of a mental or behavioral impairment, before resorting to physical force.

Police in Washington say the language in House Bill 1310 creates substantial new liability for officers who resort to physical force, especially if the person is vulnerable or hasn't committed a crime. Under the new rules, they say police officers will be much less likely to assist, as they traditionally have, with civil – or non-criminal – matters that might result in a use of force, such as detaining and transporting someone in crisis.

“We teach our officers on de-escalation and crisis intervention training, but that being said we still need to make sure that we avoid the potential for a use of force under the new mandates,” said [Robert Almada](#), the interim chief of the Lacey Police Department. He added that he thinks the goal of the legislation is “laudable.”

In neighboring Tumwater, police Chief Jon Weiks was more blunt in a letter headlined “Mental Health Crisis & Police Response.”

“What will this look like for our officers and community going forward,” the chief asked. “Officers will be detaining fewer people who are experiencing a mental health crisis and may not respond unless an ‘imminent threat’ or criminal activity is identified.”

Two of Washington's larger police agencies, the Seattle Police Department and King County Sheriff's Office, said in statements that they are reviewing their policies and procedures in response to the new legislation that passed this year, including House Bill 1310.

Historically, front line mental health workers and police in Washington have worked closely together.

This is in part because the work can be dangerous as highlighted by the [2005 murder of Marty Smith](#), a crisis responder on the Kitsap Peninsula, who was beaten and stabbed to death when he went to check on a client.

After that incident, state lawmakers passed the [Marty Smith law](#) which requires crisis responders to be accompanied whenever they respond to a private home or location. Often in those cases the mental health worker will call the police department to ask for an officer to meet them at the location.

Crisis responders must also call for a secure transport for clients who are being involuntarily committed to a mental health facility. For that, they typically depend on the police or ambulance crews.

But now that hand-in-glove relationship is being put to the test.

The new use of force law has touched off a flurry of phone calls and meetings in communities across the state as police, prosecutors and mental health responders try to determine the new rules of the road, and come up with a consistent way to respond.

In a letter to his members this month, Steve Strachan, the executive director of the Washington Association of Sheriffs and Police Chiefs ([WASPC](#)) said societal expectations are changing about what calls police “can or should respond” to.

Citing the urgency of the situation, WASPC is offering a webinar this month titled “HB 1310 and liability related to non-criminal calls” to help agencies trying to implement the new law. The event will feature legal advisors to police and sheriff’s departments on both sides of the Cascades.

“It’s going to change the rules of engagement, it’s going to require a lot of training and retaining of people,” said [Aaron Jelcick](#), the interim chief of the Olympia Police Department.

While the new law doesn’t take effect until late next month, some police departments are already changing their policies and procedures.

For example, in the town of Sedro-Woolley in Skagit County, Chief Lin Tucker has instructed his officers to act as if the law is already in effect. As a result, that changed how they approached a call earlier this month involving a man who appeared to be under the influence of drugs and was acting erratically.

In a [lengthy Facebook post](#) following the incident, Tucker explained that multiple officers trained in crisis response, along with a Mobile Crisis Outreach Team, spent nearly two hours trying to talk the man into cooperating. During that time, he damaged his own car and motorcycle, bit a tree and stripped to his underwear.

Unable to convince the man to voluntarily go to the hospital, they eventually talked him into going back inside his home. Officers left the scene only to be called back a short while later because the man was once again outside yelling and screaming.

“As recent as a month ago, we would have spent some time negotiating with this guy and when that failed, we would have quickly subdued him and he would be receiving treatment in the E.R.,” Tucker wrote in his Facebook post.

Instead, Tucker continued, the new use of force law “forced us not to act and to walk away.”

The situation is also now on the radar of state lawmakers.

Democratic state [Rep. Roger Goodman](#), who chairs the House Public Safety Committee, said he plans to meet with sheriffs and police chiefs in the coming days to discuss their concerns.

The goal of the new law, Goodman said, was to reduce the use of physical force, not get police out of the business of assisting with mental health calls.

“If that individual is suffering from a mental health crisis and is a threat to themselves or others, police are obligated under the law to take them to a secure, therapeutic facility,” Goodman said.

Goodman said he would be open to amending the law to clarify its intent.

In a separate statement, the sponsor of House Bill 1310, Democratic state [Rep. Jesse Johnson](#), said: “As we implement new laws to protect families from police violence, I will monitor the model policy for 1310 developed by the Attorney General’s office and any concerns that arise through the implementation process.”

In the meantime, police and mental health workers across Washington are navigating a new reality — one where officer may decide that a crisis responder's determination that someone poses an imminent threat isn't enough to risk a use of force incident.

On a recent weekday, a team of DCRs at Olympic Health and Recovery Services (OHRS) fielded crisis calls and kept tabs on their colleagues in the field. OHRS operates a 24/7 crisis line for Mason and Thurston Counties that gets about 25,000 calls a year. In addition, OHRS provides involuntary treatment assessments in a seven county region that includes southwest coastal Washington.

One of the crisis responders, Michaela Holsinger, said that over the past month she’s encountered several instances where police were unwilling to transport someone that she had determined met criteria for involuntary commitment to a mental health facility.

As with the case in Lacey, Holsinger said when someone in crisis doesn’t get mental health help right away, the situation can quickly deteriorate and result in a criminal matter.

“I have had that personally happen where I assessed someone, found that they met criteria for detention, police refused to transport and then we got a call six hours later and that person was in jail because they had done something,” Holsinger said.

The idea that someone in a crisis wouldn’t get help until they’ve committed a crime is not an outcome mental health responders or the police want — and the situation has come as a surprise.

“I think I can say that this wasn't on our radar, that this would happen as a result of legislation,” said Joe Avalos, OHRS’s administrator. “I do think it was unintended.”

Jelcick, Olympia’s interim chief, said he supports the spirit of House Bill 1310, but thinks lawmakers put the “cart before the horse” by not first funding additional mental health services in the community.

“My concern is those folks that really need the help, more of them are going to slip through the cracks and we’ve got to figure this out,” Jelcick said.

Investment Diversification by Type		Market Value (\$)	Percent	
State Investment Pool		39,541,570	20.4%	
Cash & Cash Equivalents		5,013,954	2.6%	
US Treasury Notes/TBills/Agency Securities		51,869,237	26.7%	
Agency Backed Securities/MBS				
<i>FHLMC</i>	11,004,672			
<i>FNMA</i>	5,781,144			
<i>GNMA</i>	77,589,303			
Total Agency Backed Securities/MBS		94,375,119	48.6%	
GO Municipal Bonds		2,948,256	1.5%	
Accrued Interest		329,813	0.2%	
TOTAL as of 5/31/21		194,077,949	100%	
Investment Diversification by Institution		Market Value (\$)	Percent	
State Investment Pool		39,541,570	21.0%	
Cambridge		79,558,254	45.0%	
Morgan Stanley		74,978,125	34.0%	
TOTAL as of 5/31/21		194,077,949	100%	
Expense Summary by Month				
Month	Claims Expenses*	Operating Expenses**	2021 Total Expenses	2020 Total Expenses
January	8,810,699	7,759,798	16,570,497	7,231,297
February	1,100,669	354,589	1,455,258	1,597,367
March	(3,919,867)	373,143	(3,546,724)	1,963,564
April	1,328,623	493,584	1,822,207	2,452,924
May	2,174,656	508,013	2,682,669	2,611,893
June				3,513,932
July				2,335,518
August				2,779,671
September				1,989,461
October				1,875,105
November				2,056,183
December				15,154,085
Total YTD	9,494,780	9,489,127	18,983,907	45,561,001
Fiscal Year Budget	36,156,704	23,691,316	59,848,020	48,347,774
Budget Remaining Fiscal Year	26,661,924	14,202,189	40,864,113	2,786,773
*Claims expenses are reported on a cash basis net of deductibles/recoveries received.				
**Building operating expenses are not included in figures above. Includes insurance expense.				

- The total market value of investments increased \$5.3 million over the same period last year. The bulk of the increase was from the settlement of our lawsuit against a re-insurer. The investment advisors are active in the market reinvesting interest income to meet the goals of the investment policy.
- In the second quarter, the 2020 worker hour collection was completed and provided to the Actuary. The 2020 worker hours were used by the actuary to establish the indicated liability rate for the 2022 assessment.
- As reported in the June Executive Committee Meeting, the 2020 draft financial statements have been prepared and indicate that the net position decreased approximately \$13.2 million primarily due to claims reserves and reinsurance costs. The Pool's investments reported a \$2.1 million net decrease in fair market value over the previous year, which also contributed to the decline in net position. Copies of the unaudited financials are available to members upon request, and will be available to the public once the annual audit is completed in August.
- WCIA offices will re-open to the public on July 19, 2021. It is anticipated that many staff members will continue to work remotely on a more permanent basis, so plans are underway to utilize technology as well as scheduling to ensure appropriate coverage at the office and on phones.
- The WCIA Wellness Committee has continued to hold activities. During the second quarter, WCIA participated in AWC's activity challenge: *Race to the Finish*, and kicked off the WCIA WoW (Walk on Wednesdays) event. The organized weekly walks encourage employee movement.

By Robin Aronson, Risk Services Manager

COMPACT

The second quarter of 2021 kept Risk Services staff busy conducting Audits and Annual Reviews which began in March and will go through the end of October. The Risk Reps continue to successfully use the various virtual meeting platforms with members. Hopefully, the Reps will be able to make in person visits later in the year as members return to their offices. This past quarter the Reps conducted 48 audits and annual reviews, including 38 Traditional audits (29 fleet, 5 homelessness, 2 personnel, 1 public works, 1 Risk 101) and 10 Targeted Risk Management Reviews (including contract review and sidewalk review).

Risk Management Services

In addition to conducting audits, the Risk Reps also provided 7 new delegate and alternate orientations during the second quarter. The Risk Reps and Risk Services Manager also provided classes on fleet liability, risk essentials, contracts, parks, public works, and anti-harassment.

Risk Management Committee

The Risk Management Committee, over 15 members strong, met virtually in May along with WCIA staff to continue discussions on the best approach to help members build a culture of risk management within their agency. The Committee is working with staff to develop a model risk management credentialing program as their first step towards this goal. The Committee will meet again in late July to discuss further.

Risk Consultations

Risk Services responded to 11 requests from members for consultations in the second quarter. This number is on par with prior years. The consultations encompassed a variety of issues, including road design, flag code revisions, vaccination polices, and first amendment issues. The budget was also used to begin addressing questions on the new police legislation and to commence review by counsel of recent updates to Lexipol policies as we look to provide key model policies for our members to utilize.

Pre-Defense

Members continue to actively utilize and appreciate pre-defense review services. Forty pre-defense assignments were provided in the second quarter, primarily for personnel issues involving hostile workplace/harassment, discrimination, discipline, and termination. This is a decrease from 2020, where the unique personnel issues stemming from the pandemic in 2020 quickly drove up the use of the program on personnel issues.

The program also funded assistance on a couple of complex land use issues during the second quarter with a potential for litigation.

The second quarter rolled out as planned. WCIA virtual trainings along with participation in our WCIA Online Academy has generated a total of 4,668 combined member attendance and views to date. *(The number within the parentheses below denotes attendees.)*

COMPACT Trainings

April through June, WCIA webinars provided a total of 41 offerings with 1,770 attendees in the following topic areas:

- **Management and Supervisory Trainings** cover Supervisors Bootcamp (44); On demand - HOW TO-Practical Guides for Supervisors (136); Foundations of Implicit Bias (108); Managing Challenging Conversations (38); and Evaluating Employee Performance in the New Normal (33).
- **WCIA Supervisor's Credentialing Program** continues to maintain popularity training members in Building Supervisory Skills 101, 201, 301 (226); Summit's 3-part Supervisory Series (345); and continuing education topics Approaching Supervisory Skills with Confidence (26), Best Practices for Coaching and Counseling (23), and Transitioning to Discipline (20).
- **WCIA Staff Education** contribution included training on Risk Management 101 trainings in Parks, Public Works, and Fleet as well as Risk Management Essentials and Taking the Mystery out of Insurance and Indemnity Requirements for Contracts. Council Do's and Don'ts as well as Liability Prevention training rounded out the total members trained (354).

New Trainings

- The May Full Board Education Session kicked off WCIA's **Risk Management Fundamentals of Homelessness Concerns** training. Defense Attorney Jeff Myers expanded his presentation, teaming with WCIA's Luis Fragoso and Colin DeForrest of i-2 Strategies to train (153).
- A new series on the changing work environment titled **Risk Managing the Hybrid Workplace** included: The Fundamentals of Managing a Hybrid Workforce, Legal Considerations for Employees Working Remotely, and Minimizing Workplace Gossip (135 total). An additional session for the series addressing cyber security will be introduced in July.
- Two **Police Chiefs Forums** focused on six legislative bills impacting law enforcement and addressed liability concerns (119). This topic will generate additional sessions for city attorney, council, and executive management audiences.

Partnered Training

WCIA partnered with **APCO NENA** to educate (146) in the Spring Forum webinar on Racial Equity and 911 Communications - An Introduction. Featured presenters were BDS Consultants and Valley Communications Director Lora Ueland. Additional sessions will be provided to other public safety audiences.

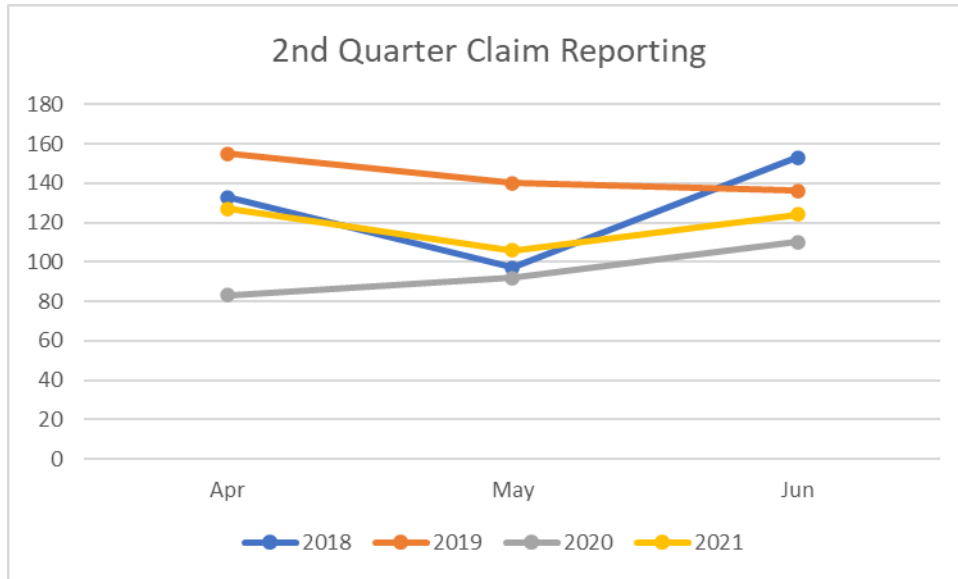
E-Learning Opportunities

The **WCIA Online Academy** contains unlimited access to online trainings, a learning management system to track external courses, and course builder to create in-house online courses. Members are viewing an additional 1,114 courses this quarter. WCIA's Senior Risk Management Representative Tanya Crites created a new training program for members, using the course builder, titled "Vehicle Accident Response for Public Agency Employee Drivers" which will be offered shortly.

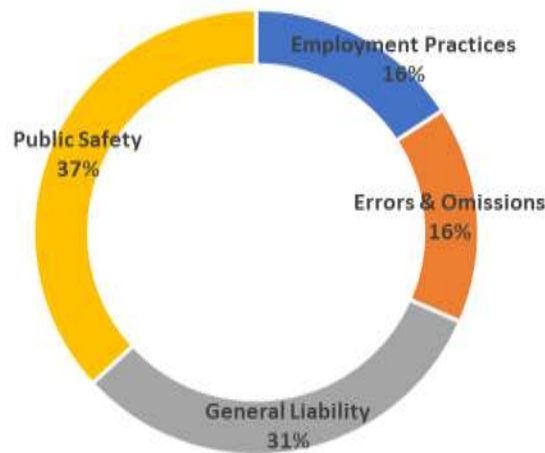
Training Reimbursements

- The eligible training reimbursements continue to be abundant. There were 25 eligible webinar trainings that took place from April through June, for a total of 79 to date. Also encouraging news, a total of 58 members have requested reimbursements from April through June!
- The most popular reimbursement programs receiving requests are: AWC Labor Relations Institute; Lexipol (Police, Fire and Corrections); Accreditations for Police and Parks; NW Clerks Professional Development I, II, III, IV; WABO - WA Association of Building Officials Annual Education Institute; APWA - American Public Works Association Conference; Cyber Security Awareness Online Training; and MRSC Webinars.

The second quarter of 2021 saw the reporting of 357 new claims with 19 new lawsuits. Claim reporting in the second quarter is consistent with past experience by count. Through 2021, staff is operating at a 94% closure rate; we have opened 781 claims and closed 731.



New Lawsuits by Sub Coverage

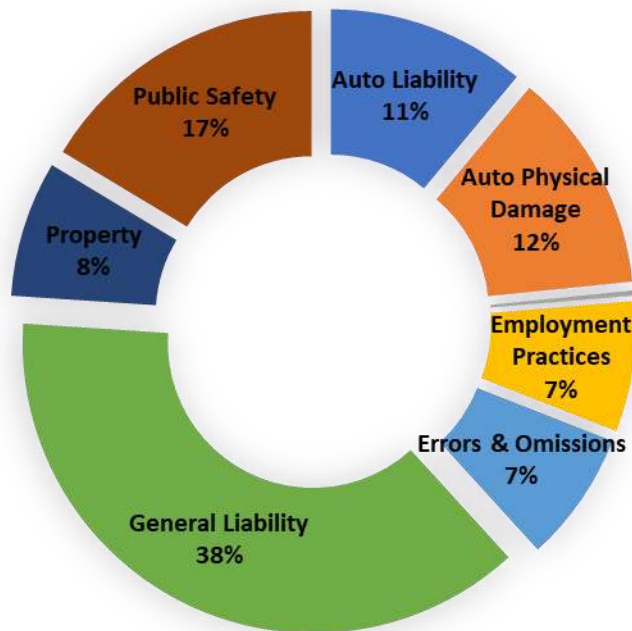


Outbound payments of expense and indemnity end the quarter at \$10,880,036. Of that and compared to the same quarter in 2020:

- Indemnity payments were \$9,637,977 (97% increase YoY [year over year])
- Expense payments were \$1,242,059 (17.4% decrease YoY)
- Reinsurance recoveries were \$389,237 (69.4% decrease YoY)
- Subrogation recoveries were \$111,328 (92.8% increase YoY)

The claims team ended the quarter with 714 open files which is a 2.6% increase over the end of the prior quarter. Those open claims are made up of the following types of claims:

Open Claims by Sub Coverage



WCIA had no trials in the second quarter, however; two lawsuits were dismissed through summary judgment and one through voluntary dismissal without paying indemnity to the plaintiff.

- A pro se plaintiff brought suit alleging a police dog bit him while he was cuffed and on the ground. Through deposition testimony and declarations of witnesses, the case was dismissed on summary judgment.
- Plaintiff brought suit after suffering an injury from hitting a mound of snow and ice while sledding in a City park. The defense team was able to establish that recreational immunity shielded the City from liability as the hazard was neither artificial or latent.
- Plaintiff brought suit after calling 911 to report that her husband may be about to commit suicide alleging that Police did not act fast enough or aggressively enough to prevent his death. Ahead of our filing for summary judgment and the plaintiff's deposition she voluntarily decided to drop her pursuit of the claim.

By Rob Roscoe, Deputy Director

Insurance Programs

HCA Asset Management, Inc. is in the third year of providing appraisal services for scheduled properties valued at \$225,000 or more. Valuation remains a critical concern for the property carriers as losses continue to exceed reported values and carriers are becoming more punitive in their pricing. WCIA has seen the overall property values increase to over \$9.3 billion and auto values at over \$657 million.

WCIA's broker Marsh has indicated that the property market is continuing to struggle, with most clients experiencing double digit rate increases at renewals. Clients with significant losses are not being renewed, or are experiencing restrictions in coverage with stricter terms and conditions and/or increased deductibles as carriers struggle with catastrophic losses from weather related losses associated with hurricanes, wildfires, and flooding. WCIA will explore all options with the broker to keep rates stable for the membership and is currently projecting a 5% to 10% property/auto rate increase to the membership.

The liability market continues to struggle with municipalities as another carrier has given WCIA notice that they are pulling out of the WA State. This shrinks an already limited field of potential reinsurance carriers for WCIA to choose from.

Cyber Insurance

The Cyber insurance policy, written by AIG Specialty Insurance Company, renewed on May 31, 2021. The premium increased 21% to \$376,897 compared to \$312,118, and member deductibles increased from \$25,000 to \$50,000 with a reduction in ransomware from \$1 million to \$100,000 in member coverage. Most carriers are reluctant to even quote municipalities regardless of individual controls and ransomware is being eliminated or restricted from most policies.

Technology

CivicPlus completed the new WCIA website, and it is active for members to log in. Staff is still reviewing and updating all the data content and resources for the membership while it remains active. The new website allows WCIA staff to add and customize data that was restricted by the previous vendor.