



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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Minutes of the
Executive Committee Meeting
August 22, 2019
WSTIP Office ~ Olympia

Executive Committee Members Present	Staff Present
Staci Jordan, President, Island Transit Shonda Shipman, Vice-President, Whatcom Transportation Authority Danette Brannin, Secretary, Mason Transit Authority (9:29 am) Lynda Palmer, Large Member Rep, Spokane Transit Authority Jesse Kinney, Small Member Rep, Valley Transit Tom Hingson, At-Large Member Rep, Everett Transit (virtually) Paul Shinnners, Past President, Kitsap Transit Suzanne Coit, Treasurer, Intercity Transit	Cedric Adams, Claims Manager Matthew Branson, Member Services Manager Anna Broadhead, Board Relations Tracey Christianson, Executive Director Rick Hughes, General Counsel Laura Juell, Risk and Training Coordinator Andrea Powell, Administrative Services Manager Karey Thornton, Accounting and Payroll Specialist
Guests Present	
Curt Feig, Nicoll, Black, Feig	Nicole Muegge, Thurston County Treasurer (9:27 am)

Call to Order

President Jordan called the meeting to order at 9:01 am she welcomed everyone as a roll call sheet was passed around the room noting Hingson was attending virtually. Jordan stated she was moving the Public Officials Coverage Document Action Item before the presentation.

Consent Agenda

Minutes – July 25, 2019, July 2019 Administrative Vouchers/Checksⁱ, July 2019 Claims Vouchers/Checksⁱⁱ

Jordan asked if there were any items to remove from the consent agenda and asked that memos be included on every voucher. There were no items removed from the consent agenda. **Shinnners moved to approve the consent agenda. Kinney seconded the motion and the motion passed.**

Action Items

Public Officials Liability Coverage Document

Christianson said Feig was attending to answer the Executive Committee's questions regarding Duty to Defend, Reservation of Rights, and assist in interpreting the proposed Public Officials Liability Coverage Document. Feig gave a presentation on the proposed coverage document and answered questions from the Executive Committee regarding the coverage document and proposed endorsement regarding wage and hour claims. The Committee had an extensive discussion regarding the coverage document, endorsement, Bylaws, appeal process and recommended changes to the text. **Kinney moved to forward the revised Public Officials Liability Coverage document to the Board with a recommendation of adoption. Shinnners seconded the motion and the motion carried.**

The Executive Committee took a short break from 10:54 am to 11:05 am. Feig left the meeting.

Presentation

Thurston County Treasurer's Office

Powell introduced Nicole Muegge, the Thurston County Treasurer, explaining WSTIP will conclude 2019 by changing from US Bank to using the Thurston County Treasurer as our bank. Muegge gave a presentation on how and where the WSTIP funds are invested, overall interest income earned in Thurston County Investment Pool versus the state pool, how banking with her office will save the Pool money, and the state of the economy from her perspective. If you'd like to view her presentation it is in the 2019-08-22 WSTIP EC Packet on the website. Jordan thanked Muegge for the presentation.

The Executive Committee broke for lunch at 11:39 am and resumed their meeting at 11:53 am. Muegge left the meeting.

Action Items

Governance Policy – Capital Funding Philosophy

Branson reviewed the changes made since the last meeting to the Capital Funding Philosophy. The Executive Committee discussed the policy. ***Palmer moved to recommend adoption of the Capital Funding Philosophy to the Board. Shipman seconded the motion and the motion passed.***

Governance Policy – Budget Development Policy

Branson gave a brief history of the Budget Development Policy. The Executive Committee discussed the policy. ***Shipman moved to adopt the Budget Development Policy as presented. Brannin seconded the motion and the motion carried.***

Discussion Items

Law Enforcement Liability

Adams reported the Underwriting Committee had met and discussed Law Enforcement Liability but would like to have a broader discussion with the Executive Committee. He went through the options in his memo. Spokane and Pierce both have exposure as does Link. Palmer encouraged the language be left in the General Liability Policy as-is, there have been no large losses to date and finding specialty coverage could be difficult. She explained Spokane has both internal transit officers and contracted officers the internal officers received limited commissions from local law enforcement and receive a lot of training on use of force, they carry batons, pepper spray and handcuffs. Liability is transferred to the contractor for contracted officers.

Christianson said the Underwriting Committee had asked what other transit pools were doing, she asked the question and has received partial information. Virginia and Ohio Transit Risk Pool (OTRP) do not cover law enforcement liability, but OTRP does purchase a special policy for one of their members. Christianson spoke with a Pool in Washington that has law enforcement liability about the types of claims they are seeing and price ranges for the claims. The rough estimate is in the last six years, there were 43 claims, of those only four over \$100,000 but note public perception increases claim values (estimate 100 times medical specials). Under the limited commission the liability may fall back to the agency who gave the commission.

Christianson is reviewing all five of Pierce Transit's law enforcement contracts and had asked Pierce to fill

out a law enforcement liability application to see what coverage may cost. She thinks excluding guns and tasers would be acceptable to them. Palmer said Spokane would also be alright with that exclusion. Shinnars asked if law enforcement liability could be carved out similar to underground storage tank coverage. The Executive Committee asked staff to gather information as to what the rates would be for a carved out of law enforcement liability coverage to the members who have law enforcement risk. The Executive Committee also asked staff to draft exclusionary language for the use of guns/tasers that could be considered in the General Liability Coverage Document.

2019 Executive Committee Work Plan

Christianson said staff had gone through the work plan and noted when topics popped out of committee and back to the Executive Committee. Jordan asked if there were any questions on the 2019 work plan. No questions were asked.

Limited Mode Service Providers

Adams said the Underwriting Committee is asking the Executive Committee to receive the recommendations and consider this task complete. The Underwriting Committee recommended changes to the template contracts and suggested changes to the Coverage Review Committee to close the stacking loophole in the General Liability Coverage Document. Staff have updated the template contract language, are working on the certificates of insurance process, and the language has been included in the coverage document. The Underwriting Committee believes they have completed this task. Jordan agreed that this task was complete from the Underwriting Committee perspective.

Vanpool Personal Use

Adams said the Underwriting Committee had been tasked with looking at vanpool personal use. The committee recommends continuing to allow personal use, but with limits to the activity. Recommendations to the coverage Review Committee were to use the permissive user language already existing in the General Liability Coverage Document and adding clarifying language defining incidental to commute vs. permissive use and adding a sub-limit on the coverage summary. The Underwriting Committee asked staff to review and update the vanpool driver user agreement and address allowed use within the Best Practices. The committee discussed, and then accepted the Underwriting Committee's recommendations.

Palmer left at 12:52 pm.

General Liability Coverage Document

Christianson the General Liability Coverage Document matrix is included changes from the Public Officials Liability Coverage Document have carried over. The Coverage Review Committee wants to talk about Coverage F. Cyber coverage. Currently the Pool provides this coverage in the General Liability Coverage Document which has no deductible and \$50,000 in coverage. The Coverage Review Committee would like to remove this coverage and buy down the deductible on a cyber liability policy. The Committee discussed the options from a Pool perspective it makes sense because then the coverage is included in the assessment, whereas where it is now its not being accounted for. Christianson said she would bring more information and decisions to be made at the next meeting. The Coverage Review Committee will be meeting again and plans to distribute the draft General Liability Coverage Document to the Board members for distribution and feedback from their general counsels.

Executive Session

There was no Executive Session.

Staff Reports

Executive Staff Report

Christianson attended Governmental Entities Mutual (GEM)'s Cyber Security Conference/Meeting. GEM announced they will be adding a new member and Andrew Halsall will be attending our September Quarterly Board meeting. Powell reported a clean audit, property appraisals are ongoing, and the actuary has given us preliminary numbers so that the broker can begin their work in preparations for the 2020 budget. Boiler machinery inspections are randomly taking place, please respond and allow them to visit if they call you. Branson reported scheduling several more Partnering in Prevention presentations, ongoing work on the Operator Development Course, and Juell would be going on maternity leave in September. Adams reported on recent open and closed claims activity as well as claims that are preparing for trial. He announced hiring Robyn Galindo, as a Claims Specialist 2, her first day is September 3.

Sub-Committee Reports

Governance Policy Committee

No report.

Board Development Committee

No report.

Emerging Risks and Opportunities Committee Report

Brannin reported on the activities of the Emerging Risks and Opportunities Committee. They are working on developing a complimentary class to Passenger Assistance Sensitivity and Safety (PASS) with an emphasis on safety. They have reviewed the Technology Grant program and a recommendation that the Board formally adopt the program through 2026 (with funding to be determined annually) so agencies can incorporate a potential project in their respective budgets and communicate the funding opportunity to their agency Board during their normal budgeting process.

Underwriting Committee

Christianson said the Underwriting Committee had met. Shinnars asked if the Committee needed to meet again or if it could be sunsetted. It was determined the Committee would sunset as their tasks were complete.

Coverage Review Committee

Christianson said the Coverage Review Committee had met and will meet again.

Data Governance Committee


Powell reported the Data Governance Committee is working on process improvements and tackling cause codes.

Recap and Adjournment

Brannin said Bruce Sackron from Central Transit in Ellensburg had approached her during the Public Transportation Conference and is interested in joining and participating in the Pool. Jordan congratulated staff on the clean audit, the Underwriting Committee will sunset in September, the Capital Funding Philosophy and Public Officials Liability Coverage document have been forwarded to the Board with a recommendation for approval, Budget Development Policy was adopted, Christianson will bring more

information back regarding Law Enforcement Liability and Cyber Liability coverage, and the General Liability Coverage Document will remain with the Coverage Review Committee until after action in September. ***Shinners moved to adjourn the meeting at 1:37 pm. Kinney seconded the motion and the motion passed.***

Submitted this 26th day of September 2019.

Approved:  DocuSigned by:
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Danette Brannin, Secretary

ⁱ Check numbers 28600 through 28671 in the amount of \$1,329,664.50; Internet and ACH payments for staff credit cards, travel/expense reimbursements and professional/misc. services total \$25,734.38; Transfer of \$45,843.23 for the 07/15/2019 payroll; Transfer of \$48,363.54 for the 07/31/2019 payroll; Transfer of \$12,208.82 for July Staff benefits. Total voucher approval is \$1,461,814.47.

ⁱⁱ Check numbers 12583 through 12696 in the amount of \$394,567.98. Total voucher approval is \$394,567.98.