



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION
 PO Box 11219 | Olympia, WA 98508 | 360-786-1620 | www.wstip.org

Minutes of the
 Executive Committee Meeting
 February 25, 2021
 Zoom

Executive Committee Members Present	Staff Present
Danette Brannin, President, Pierce Transit Jesse Kinney, Vice-President, Valley Transit Scott Deutsch, Secretary, C-Tran Geri Beardsley, Large Member Rep, Community Transit Brandy Heston, Medium Member Rep, Grant Transit Authority David Ocampo, Small Member Rep, Columbia County Public Transportation Jenny George, At-Large Member Rep, Asotin County PTBA Shonda Shipman, Past President, Whatcom Transportation Authority Suzanne Coit, Treasurer, Intercity Transit	Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Rick Hughes, General Counsel Joanne Kerrigan, Member Services Manager Brandy Rhodes, Administrative Assistant Karey Thornton, Accounting and Payroll Specialist
Board Members Present	
Jeff Lubeck, Ben Franklin Transit Tom Hingson, Everett Transit Ken Mehin, Grays Harbor Transit Staci Jordan, Island Transit Sara Crouch, Jefferson Transit Paul Shinnors, Kitsap Transit Justin Brockwell, Link Transit	LeeAnn McNulty and Mike Ringgenberg, Mason Transit Authority Bill Kessler, Pierce Transit Joe Macdonald and Dale O'Brien, Skagit Transit Monique Liard, Spokane Transit Greg Story, Yakima Transit
Guests Present	
Kevin Wick, Actuary, PricewaterhouseCoopers	

Call to Order

President Brannin called the meeting to order at 9:45 am welcoming everyone to the virtual meeting. Verbal roll call took place. Hughes explained Brannin's change of employers and how in his opinion after reviewing the Bylaws, she can remain the President of the WSTIP Board for 2021. Several people congratulated Brannin on her new position at Pierce Transit. Brannin asked for changes to the agenda, hearing none she asked for a motion to accept the agenda. **Kinney moved to accept the agenda. Deutsch seconded the motion and the motion passed.**

Consent Agenda

Minutes – December 3, 2020, November 2020 Vouchers and Electronic Payments Totaling \$774,175.19, December 2020 Vouchers and Electronic Payments Totaling \$787,108.42, January 2021 Vouchers and Electronic Payments Totaling \$2,247,701.85

November 2020

				<u>Total</u>
Claims Vouchers	Numbers:	93501066	- 93501135	\$ 334,672.98
Administrative Vouchers	Numbers:	93001507	- 93001541	\$ 284,809.03
Electronic Payments	Dates:	11/01/2020	- 11/30/2020	<u>\$ 154,693.18</u>
				\$ 774,175.19

December 2020

				<u>Total</u>
Claims Vouchers	Numbers:	93501136	- 93501218	\$ 320,010.45
Administrative Vouchers	Numbers:	93001542	- 93001581	\$ 287,450.15
Electronic Payments	Dates:	12/01/2020	- 12/31/2020	<u>\$ 179,647.82</u>
				\$ 787,108.42

January 2021

				<u>Total</u>
Claims Vouchers	Numbers:	93501219	- 93501256	\$ 138,417.16
Administrative Vouchers	Numbers:	93001582	- 93001606	\$ 2,012,267.46
Electronic Payments	Dates:	01/01/2021	- 01/31/2021	<u>\$ 97,017.23</u>
				\$ 2,247,701.85

Brannin asked if there were any items to remove from the consent agenda. There were no items removed from the consent agenda. ***Heston moved to approve the consent agenda. Deutsch seconded the motion and the motion passed.***

Discussion Items

Retreat Recap

Brannin said the virtual retreat was a success. On the first day attendees reviewed the Capital Funding Philosophy by breaking into small groups to discuss the upcoming study and Adams informed attendees of upcoming litigated claims. We had a social trivia night which was fun. On the second day, we reviewed loss trends, held Governance Policy and Board Development Committee meetings and solved a murder mystery as a team building event. On the last day we reviewed the Strategic Plan, Committees, and the 2021 EC Work Plan. Also looking at refresher training for veteran Board members which may be in video format similar to videos last year and possibly developing a menu of insurance choices.

2021 Executive Committee Work Plan

Christianson explained the work plan had been updated and will continue to be updated as things are completed, added, started, or delayed. This document is used as a planning document for the EC.

Strategic Plan Discussion Items

Christianson said included in the materials is an informational report on what progress has been made and what is upcoming for the Strategic Plan. If you have questions regarding Strategic Plan items, please reach out to Branson, Christianson, or Kerrigan.

Prior Period Assessment Audit

Branson said the Prior Period Assessment Audit (PPAA) has been calculated for all Members who returned their 2020 Actual Miles and Employee counts prior to February 18, 2021. He further explained

how miles are estimated in the fall (2019) to set the rates for the following year (2020). After that year has passed (2020), staff perform an audit to establish the actuals (2021). WSTIP then would issue a credit memo or an invoice to be paid/used in the next year (2022). In past years the PPAA results has WSTIP owing the Members between \$100,000 - \$200,000; however, due to COVID-19, the amount of the 2020 PPAA is near \$3.7 million. This amount has an impact on net position (it is a reduction in 2020 revenue) which is somewhat offset by a lower loss fund. Staff asked Kevin Wick to discuss the impact to the Pool's financial picture.

Wick shared a couple of slides which explained how less miles, meant less losses, as there were less vehicles on the road to hit or be hit by so a reduction to the loss fund. The Pool has fixed costs reinsurance/excess insurance, administration costs, which are allocated based on volume (miles). Interest income looks good for 2020. If miles remain lower the Pool may have to consider a rate increase but if miles even out and 2020 is just a blip, then it will self-correct. Wick, Branson and Christianson fielded questions from attendees. Questions revolved around the net position of the Pool, impact to the goal of being able to self-insure the first \$5 million, state of the insurance market, past practice of resolving the PPAA amounts due in January as opposed to sooner (because the amount is so large), whether the past practice should be addressed/changed/affirmed via policy, and the impact to staff. Shinnors inquired of Hughes about authority related to assessment decisions. Hughes read the Bylaws which indicated the Board has the authority related to assessments.

Brannin asked if the EC should make a recommendation to the Board regarding the 2020 PPAA. Christianson said past practice is the EC would make a recommendation, however, if you cannot reach consensus you can forward to the Board without a recommendation and disclose why the decision wasn't made. The committee further discussed recommendation options, after a lengthy discussion and many options the committee reached consensus. The EC recommends two options for the 2020 PPAA. Option one is to remain with past practice with the credit to be applied towards 2022 assessments. Option two is to refund the PPAA early in 2021. This topic will further be an agenda item at the upcoming March Board meeting.

The EC took a short break from 11:15 to 11:28 am. Wick and Jordan left the call.

Products and Services Survey

Kerrigan said in December we sent out a Products and Services survey. The survey results are included in the materials, staff have reviewed the survey and mapped out the priorities for 2021. The priorities for 2021 are acquiring a Learning Management System (LMS), de-escalation certification train the trainer, and Human Resources (HR) and Personnel policies unless the EC has other topics which should be a priority. Kerrigan will work with the Risk and Opportunities Committee (ROC) and WSTA HR committee on these topics and report on progress through the Strategic Plan updates.

Adopt 2021/2022 Meeting Schedule

Christianson requested the EC adopt the 2021/2022 Meeting Schedule. She noted meetings through April are showing as virtual, we are hoping to have in-person meetings later in the year and locations have been secured. Many locations are the same as we had planned in 2020 so we didn't get charged cancellation fees or forfeit our deposits. ***Shipman moved to adopt the 2021/2022 Meeting schedule as presented. Heston seconded the motion and the motion passed.***

Technology Grant Applications: Community, Grays Harbor, and Pierce Transit

Kerrigan said the Pool had received three technology grant applications, staff reviewed the applications, the ROC reviewed the applications and recommends approval of all three technology grant applications in the amount of \$95,854. Grays Harbor is requesting funding for TrackIT!, Community is implementing Lytx DriveCam, and Pierce is purchasing aerial drones to assist with training operators. Deutsch said both Grays Harbor and Community had great presentations and he is anxious hear how the drone helps with training at Pierce. Brannin asked for a motion to approve the grant applications. **George moved to approve Community, Grays Harbor and Pierce Transit's technology grant applications. Heston seconded the motion and the motion passed.**

Property Coverage Document

Adams explained the Property Coverage Document is the final policy the Coverage Review Committee (CRC) reviewed, the CRC feels the policy is ready for the Board to review and adopt for coverage period beginning July 1, 2021. He went through the changes the committee is recommending. There was a brief discussion on how property is valued. Adams said he was requesting the EC to recommend moving the Property Coverage Document to the Board. **Shipman moved to move the Property Coverage Document to the Board. Deutsch seconded the motion and the motion passed.**

Claims Audit and Response

Adams said in accordance with the Claims Management Governance Policy WSTIP must have a Claims Audit every three years. Gary Jennings was selected via an RFP process and has completed the audit. His report reflects positively on WSTIP. Staff are meeting industry standards. He reviewed 68 claims and gave feedback on caseload management, enhancements that could make to the claims manual/guidelines, and suggested adding ISO to our claims search. ISO is an international claims search which will potentially help reduce fraudulent claims. Staff understands the industry standard on caseload and had a good conversation with Jennings on how WSTIP manages the claims workload. Staff will add checklists to our claims manual/guidelines. There were no questions regarding this topic.

Driver Record Monitoring Contract

Christianson said the EC gave her the authority to enter into a sole source contract with Data Driven Safety, LLC (DDS) for Driver Record Monitoring (DRM) which she did not do rather she signed an extension through March 31, 2021. Staff found other vendors who can provide the basic service at a lower price. These other vendor products would likely meet the needs of Members utilizing the basic service only (versus Premium service). We were able to negotiate adding Oregon and Idaho monitoring to the DDS offering which will be effective at the end of February. Staff continue to negotiate to get a lower price and service enhancements with DDS for the April 1 to December 31 period. Doing this gives time to run an RFP for basic service, or possibly piggybacking on an existing contract to better serve our Members. DRM affects all Members so this will likely be a topic for the Board.

Governance Policy: Member Guest Program

Kinney shared the clean and red-line versions of the Member Guest Program Governance Policy. The Governance Policy Committee (GPC) is recommending accepting changes to the Member Guest Program to bring the definitions in line with the Bylaws. There was a brief discussion regarding the policy statements, and it was decided to leave as proposed. **Deutsch moved to approve the Member Guest Program. Heston seconded the motion and the motion passed.**

Executive Session

There was no Executive Session.

Staff Reports

Executive Staff Report

Christianson said she wanted to begin talking about the state of the insurance market, our broker is expecting double digit increases for our upcoming property renewal. Cyber is extraordinarily bad and we may lose our deductible buy-down option, this means our \$5,000 deductible could jump to \$100,000. We may lose our extra limits; each Member will need to complete a cyber liability application which is new this year. Auto-Physical Damage (APD) looks like it may bump a bit but appears stable. The Broker is already concerned the hard market will present us with challenges during our liability renewal for January 2022. There are indications that Munich is reducing capacity, Munich is our \$5 million to \$15 million layer. Christianson and Branson have scheduled monthly meetings with the Broker to start making alternative plans to get the coverage we need. We do expect the Pollution renewal soon, the quote should be arriving any day. We have a couple Members venturing into the drone world, and we are assisting them with securing quotes and placing coverage. As a reminder WSTIP doesn't cover aerial drones under property or liability, but this is something we could look at in the future. We welcomed new Board Members, had staff changes which you are aware of and appointed Broadhead as our Public Records Officer. We are also training two additional staff on records management. Shinnars asked if Munich will maintain the \$5 million to \$10 million layer as it will be easier to find a carrier for the \$10 million to \$15 million layer. Christianson said at this point it isn't clear and given our location, and our industry, we aren't confident in finding another carrier. Branson had nothing additional to add. Kerrigan said her staff are busy training and scheduling training. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims. The Claims staff is planning to hold a virtual Claims Conference the end of April first part of May, please watch for more details in the near future.

Sub-Committee Reports

Governance Policy Committee

Kinney reported meeting on February 11. The Governance Policy Committee (GPC) consists of Kinney, Deutsch, Brannin, Christianson and Hughes. We reviewed five policies at the last meeting and will meet virtually until we can meet in person. We are in the process of scheduling our next meeting.

Board Development Committee

George said the Board Development Committee (BDC) consists of the Member Representatives (Beardsley, Heston, Ocampo, herself) and staff Branson and Broadhead. We met during the retreat and shared lessons learned, passed on knowledge, and set the stage for 2021 meetings. We are scheduled to meet today after the EC and will review our charter, feedback from the Annual Meeting and Retreat, and plan the March Member Representative meetings.

Risks and Opportunities Committee

Deutsch said the Risks and Opportunities Committee (ROC) met on February 10 to review the Technology Grant Applications from Community, Grays Harbor, and Pierce to get the materials ready for today's meeting. Our staff person is Kerrigan. We will be reviewing our charter, looking at loss trends and how best to get the information out to Members, in addition to talking about COVID. Brannin thanked Deutsch for stepping into the chair role and noted that she had stepped off the committee as Pierce already had a representative on the committee. Liard has joined the committee.

Coverage Review Committee

No report.

Recap and Adjournment

Brannin quickly recapped the meeting, roll call, accepted the agenda, approved the consent agenda, recapped the retreat, reviewed the work plan, had a great discussion on the PPAA and are bringing two options to the Board, reviewed the Products and Services survey and agree with staff's prioritization of the results, adopted the 2021/2022 meeting scheduled, reviewed the claims audit and response, Christianson and Branson updated us on the DRM contract and potential RFP, and approve the Member Guest Program Governance Policy revisions. Staff will keep us updated on the state of the insurance market and upcoming renewals.

Shipman moved to adjourn the meeting at 12:40 pm. Kinney seconded the motion and it passed.

Submitted this 25th day of March 2021.

Approved: 
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Scott Deutsch, Secretary