



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

PO Box 11219 | Olympia, WA 98508 | 360-786-1620 | www.wstip.org

**Minutes of the
WSTIP Quarterly Board Meeting
March 26, 2021
Zoom**

Board Members Present									
<p>Jenny George, At-large Member Rep, Asotin County PTBA; Jeff Lubeck, Ben Franklin Transit Betsy Dunbar, Central Transit Dunyele Mason, Clallam Transit Steve Mertens, Columbia County Public Transportation Geri Beardsley, Large Member Rep, Community Transit SuziAnna Scheidegger, Community Transit Scott Deutsch, Secretary, C-Tran Tom Hingson, Everett Transit Brandy Heston, Medium Member Rep, Grant Transit Jean Braaten, Grays Harbor Transit Ken Mehin, Grays Harbor Transit Suzanne Coit, Treasurer, Intercity Transit Emily Bergkamp, Intercity Transit Staci Jordan, Island Transit Sara Crouch, Jefferson Transit Paul Shinnors, Kitsap Transit Justin Brockwell, Link Transit Shawn Larson, Link Transit LeeAnn McNulty, Mason Transit Mike Ringgenberg, Mason Transit Danette Brannin, President, Pierce Transit Amy Cleveland, Pierce Transit Bill Kessler, Pierce Transit Wayne Thompson, Pullman Transit</p>	<p>Amy Asher, RiverCities Transit Joe Macdonald, Skagit Transit Dale O'Brien, Skagit Transit Monique Liard, Spokane Transit Jesse Kinney, Vice-President, Valley Transit Les Reardanz, Whatcom Transportation Authority Shonda Shipman, Past-President, Whatcom Transportation Authority</p> <tr> <th colspan="2" style="text-align: center;">Guests Present</th> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <p>Brian White (broker), Alliant Insurance Services Lilian Vanvieldt, Alliant Insurance Services Jason Murphy, Data Driven Safety Will Mann, Data Driven Safety Kevin Wick, PricewaterhouseCoopers</p> <tr> <th colspan="2" style="text-align: center;">WSTIP Staff Present</th> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <p>Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Chris DeVoll, Transit Risk Specialist Rick Hughes, General Counsel Laura Juell, Risk and Training Coordinator Joanne Kerrigan, Member Services Manager Brandy Rhodes, Administrative Assistant Karey Thornton, Accounting & Payroll Specialist.</p> </td> </tr> </td></tr>	Guests Present		<p>Brian White (broker), Alliant Insurance Services Lilian Vanvieldt, Alliant Insurance Services Jason Murphy, Data Driven Safety Will Mann, Data Driven Safety Kevin Wick, PricewaterhouseCoopers</p> <tr> <th colspan="2" style="text-align: center;">WSTIP Staff Present</th> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <p>Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Chris DeVoll, Transit Risk Specialist Rick Hughes, General Counsel Laura Juell, Risk and Training Coordinator Joanne Kerrigan, Member Services Manager Brandy Rhodes, Administrative Assistant Karey Thornton, Accounting & Payroll Specialist.</p> </td> </tr>		WSTIP Staff Present		<p>Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Chris DeVoll, Transit Risk Specialist Rick Hughes, General Counsel Laura Juell, Risk and Training Coordinator Joanne Kerrigan, Member Services Manager Brandy Rhodes, Administrative Assistant Karey Thornton, Accounting & Payroll Specialist.</p>	
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Call to Order

President Brannin called the meeting to order at 9:00 am. Verbal roll call took place. Brannin asked if there were any changes to the agenda hearing none, she asked for a motion to accept the agenda. **Shipman moved to accept the agenda as presented. Mehin seconded the motion and the motion passed.** Brannin asked if there were any guests to introduce. Shipman introduced Les Reardanz, and Brannin introduced Mike Ringgenberg. There were no *Behind the Curtain* prizes.

Discussion**Q&A Feedback from Pre-Recorded Work Session Topics**

State of the Insurance Market – White thanked everyone for watching his material. The market is very challenging right now in all major lines of coverage. Christianson said one question from the Member Representative Meetings

was what happens if we lose a layer/carrier. White said we want to try to be prepared. Things we are doing include negotiating early, looking at possibility of corridor type deductibles and looking at the math to make sure it makes sense, looking at other carriers, etc. Vanvieldt added they are always looking at the layers, alternatives, and market capacity. Alliant expects to have a clearer picture after the July 1 renewals. Shinners asked if the self-insured retention (SIR) may have to increase as it did a few years ago to \$2.5 million before we dropped it back down to \$2 million. Christianson said she and Alliant are looking at all options and are hoping to come up with more than one plan should we lose a layer, but yes, it could include raising the SIR. White reminded the Board that although the market is bad, it isn't our losses that are driving it.

Coit asked if White/Vanvieldt had any guesses about the Cyber renewal. White said the cyber insurance market is also terrible. He shared an example where an agency purchased \$60 million in limits previously, but their price tripled, and ransomware was sub-limited to \$20 million. Christianson said last year we bought down our cyber deductible from \$100,000 to \$5,000 but we may not be able to do that this year and we may have to fill the \$100,000 hole in coverage. Liard asked if Alliant is expecting some lines of coverage to be completely dropped by carriers. White said he is surprised they can still get ransomware coverage in the market. If you look at the claims, it is surprising it exists, there is speculation that this coverage may not be available. There are a lot of shifting waters and sands in the underwriting world, the Pool can add value, the Pool was smart to do the buy-down, by being strategic and using the market where there is value, when the market can't bring the value, bring it back in house and rely on the actuary to determine the cost you want to fund. Deutsch asked if there were any indications on things the Pool Members can do to reduce our risk as a Pool. Vanvieldt said Beazley Breach response has Best Practices and table-top exercises which can be provided to you. White said the Pool has done a lot of work around cyber compared to other Pools. Board members asked if there were any indicators on the recent cyber applications of things that we can do to reduce our risk. Christianson said if we can get some no's to yes's that shows the carrier we are improving. WSTIP is also hosting a Cyber training with Sean Hoar, from Lewis Brisbois on April 20 from 9 to 10 am (see the WSTIP website). Brannin thanked everyone for the great discussion.

Target Ratios – Branson asked if there were questions. Liard said she emailed questions. Branson said he would respond to her email.

Actuarial Report – No questions regarding the Actuarial Report.

Risk Profiles – Kerrigan said the Risk Profiles are on the website. Branson added that the hard copies will be in the mail soon. Jordan asked when to expect the "Deeper Dive." Kerrigan said we will be doing the "Deeper Dive" as part of the Member visits.

Driver Record Monitoring – Christianson introduced Jason Murphy and Will Mann from Data Driven Safety. Crouch asked about something referenced in the video about not getting information from King County in a timely fashion. Murphy said King County has updated their software, but the systems are not working together, they hope to have a solution soon. Shinners asked if the "all-in" pricing would be all Members, all drivers or can it be a sub-set of drivers to receive the \$2.60 premium pricing. Murphy said it is a volume discount so to receive the highest discount you would need all drivers. Shinners said so if we go "all-in" and then at Member level carve out certain drivers. Murphy said if everyone is on premium service, but the agency feels certain drivers should only be monitored on basic, you can dictate what level beyond basic you want, it is not one size fits all it is adaptive. Mason added that all Members would have to be "all-in" for premium service. Murphy said correct if it isn't "all-in" participation then costs would have to be negotiated as it is a volume discount. The more people that participate in premium the higher discount they can offer. Christianson thanked Murphy and Mann and they left the meeting.

Member Representative Meeting Report and Discussion

Beardsley, Heston, and George gave updates on each group's discussion. Each group talked about the pre-recorded Work Session videos, prior period assessment audit (PPAA) and how best to handle 2020 PPAA, also

discussed driver record monitoring, appreciated the ratios, discussed the vanpool legislation (several are not in favor of adding personal use), and Christianson will be sending teleworking/ telecommuting policies to those who asked.

Property Coverage Document

Christianson explained the Coverage Review Committee (CRC) had worked on the Property Coverage Document last year, the review process CRC, EC, Board, CRC, EC) and is now ready for adoption. Adams said many of the changes were minor, the largest change was clarifying language regarding disputes concerning value. Shinners stated that earthquake is not covered at the WSTIP level. Christianson said correct as you have earthquake in the excess policy. **Heston moved to adopt the Property Coverage Document. Beardsley seconded the motion and the motion passed.** Brannin thanked the CRC for all their work on the coverage documents in the last couple of years.

Prior Period Assessment Audit

Branson shared the history behind the prior period assessment audit (PPAA), stated the PPAA is already accounted for in the 2020 budget and the Executive Committee's (EC) recommended options (issue credit memo to offset 2022 assessments, or refund money now), or the Board can propose another option. Brannin said the staff are looking to the Board to direct them on what to do with the 2020 PPAA as it is close to \$3.7 million dollars. Option 1 is to issue credit memos; Option 2 is to issue checks in April. These options are the staff preferred options. Brannin said Skagit proposed a hybrid approach to allow each Member to choose whether to receive a credit memo or receive a check for the 2020 PPAA. Several Members spoke in favor of receiving the money now due to the exceptional year 2020 was. Macdonald suggested a policy/procedure that once staff have determined the PPAA amounts to send out a JotForm requesting Member agencies respond within 30 days. The options on the form would be return the money, Member pay any amount due, or Member chooses to have a credit memo issued for the following year assessment. Shinners concurred. Coit said this year is different not just because of the amount of the credits but we have the information early. Brannin suggested that a policy be developed for future years and stated the three options for 2020 PPAA.

Kessler moved to accept the third option where each Member has a choice to accept a refund or use as a credit towards next year. Shinners seconded the motion. Discussion: Beardsley asked if the motion is restricted to just this year with the understanding a policy will be created for the long term. Macdonald said that was his understanding. Kinney asked if staff could speak to whether there were reasons to have all Members choose one option or the other. Christianson said the two options proposed by the EC were cleaner from the accounting perspective either give everyone money back or issue credit memos, currently it is a liability on our books, but we will now need to collect information from each Member, not every Member is great about responding, but Staff will do what the Board wants. Kinney thanked Christianson. **Brannin called for a roll call vote. (Aye – Asotin, Ben Franklin, Central, Clallam, Columbia, Community, C-Tran, Everett, Grant, Grays Harbor, Intercity, Island, Jefferson, Kitsap, Link, Mason, Pierce, Pullman, RiverCities, Skagit, Spokane, and Whatcom. Nay – Valley. Absent or technical difficulties during the vote – Pacific and Yakima) The motion passed.**

Strategic Plan Update Items 2A, B, & C

Kerrigan explained that for item 2A as a Pool we are improving on rear-enders, but for hard braking and securement we are trending in the wrong direction. Branson explained how the percentages were calculated. Item 2B we are meeting our goals. Item 2C we are not meeting our goal. She shared an article ([click here](#)) on how the number of pedestrians killed rose in 2020 despite their being less traffic on the road. We had an increase in pedestrian strikes even though our mileage decreased. Deutsch asked if there was a way to compare against the increased number of bikes. Kerrigan said she didn't think they took that into account. Macdonald felt it was due to increased speeds with fewer cars on the road. Beardsley asked if strike results in injury or death. Kerrigan said it doesn't mean injury or death but that it is a claim with dollars associated with it. Liard thought the dashboard was a great tool but wanted to know what action can be taken as a group for red metrics. Kerrigan said the Technology

Grant is a great resource as is refresher training. Branson said last year we looked at Item 2D the top five Best Practices for risk reduction and now after seeing WSTIP as a whole we can do the “Deeper Dive” and you will be able to see areas where you can improve. Kessler said there are more variables around less traffic in 2020, and without doing the “Deeper Dive” it is hard to get the full perspective.

2020 Safety Stars

Brannin announced and congratulated the 2020 Safety Star Award recipients. They are Columbia County Public Transportation \$1,500, Grant Transit Authority \$3,500, and Community Transit \$5,000. We appreciate your efforts to mitigate losses.

The Board took a short break from 10:52 am and resumed their meeting at 11:05 am. Coit asked for details on the Cyber Training. Kerrigan said April 20, 9 to 10 am, more details will be available on the WSTIP website.

Financial Reports as of December 2020

Draft 2020 Year-End Financials, Treasurer’s Report, Claim Reserves Report, and 2020 Budget to Actual

Branson presented the 2020 Year-End financials, noting the statement of net position which shows the net position is growing, he commented on the ratio analysis and talked about how he grouped cash flows and added descriptions. He then talked about the Treasurer’s report, thanking Coit for her interaction and feedback. Reviewed the Claims Reserves Report and noted that the 2020 Budget to Actual shows decreased operating revenue due to the 2020 PPAA. Payroll was up due to GASB 68 and 75 but those are non-cashflow items, but we did operate within our budget. Liard thanked Branson for the solid format of reporting. Brannin thanked Branson and Thornton for their work.

Financial Reports as of February 2021

Treasurer’s Report and Management Discussion and Analysis, Comparative Statement of Net Position, Claim Reserves Report, and Statement of Revenues and Expenses with Budget

Branson said the Pool closed February with \$74 million in the bank, some of the resources are tagged for liabilities. Provided in the materials are the MD&A narrative, the net position is trending up which is intentional due to contribution to surplus contributions in the budget, the claims reserve report isn’t terribly exciting as only two months of the year have passed, and lastly the statement of revenues and expenses with budget. Shipman thought the financials looked great and thanked staff. There were no questions regarding the financial statements.

Staff Reports

Executive Staff Report

Christianson highlighted Members who are buying drone coverage reminding the Board that WSTIP’s Coverage Documents do not cover unmanned aircraft. The coverage has been relatively inexpensive. Staff is adding drone coverage to the Coverage Review Committee agenda as a topic. Cyber applications were due back a couple days ago and some Members have not returned their application. Scheidegger at Community was inadvertently removed from our distribution list, and heroically Community Transit staff pulled their report together in under 24 hours. Christianson sent kudos to them on responding so quickly and apologized for putting such stress on them. Christianson reported meeting with new Board Members within their first 90 days. She updated the Board on legislation Members may want to watch. Branson said 2020 is complete, we had hoped to have our audit in February but are scheduled for April 19. Underwriting activities are wrapping up and we thank you for submitting your miles and employee counts in early, we have submitted property and vehicle schedules to Alliant, please share your feedback offline to Branson regarding the collection process. We have moved out of Citrix and into our new VPN environment. Jordan thanked Branson for the Q & A sessions regarding the Cyber Liability Application, they were extremely helpful. Kerrigan said she is starting to receive requests for grants, receiving feedback on the Technology Grant projects, expecting a report from the Collision Avoidance Warning System (CAWS) research team in September with a report to the Board in December. Working on scheduling “Deeper Dive” visits and DeVoll is working with the Members identified on the Member Improvement List (MIL). More information to come on the

cyber training (April 20 9 to 10) next week. Adams discussed open claims, the upcoming Claim Conference (April 28 9 to 4) and subrogation collection efforts.

General Counsel's Report

Hughes said his report is included in the materials he has spent approximately 85 hours in the past quarter assisting staff with policies, Open Public Meetings Act and Public Records Act inquiries and assisting Broadhead with records requests.

Broker's Report

White and Vanvieldt gave an update on the state of the insurance market during the state of the market video. White emphasized how difficult the cyber coverage may be to secure in the upcoming renewal. If you have questions regarding the Broker Report, please reach out to White or Vanvieldt.

President's Quarterly Report on the ED Goals

Brannin said as part of the Executive Director's evaluation last year we set goals and Christianson submits a monthly report to her (the President) on progress towards the goals. She is continuing to emphasize the "why" in all the communications to the Board, preparing her staff to be succession ready, one way she is doing this is having each manager take responsibility for reviewing the Board/EC packets and interacting with the Board. Christianson is meeting the goals, submitting great reports, and going the direction the Board is expecting.

Action Items

Minutes – December 4, 2020

Jordan moved to approve the minutes from December 4, 2020. Deutsch seconded the motion and the motion passed.

Accept Year-Ending 12-31-2020 Actuary Report

Crouch moved to accept the Year-Ending 12-31-2020 Actuary Report. Liard seconded the motion and the motion passed.

Governance Policy: Mission and Vision

Kinney noted the changes are due to the Bylaw change from last year. **Shipman moved to accept the Mission and Vision. Mehin seconded the motion and the motion passed.**

Governance Policy: Policy Governance Defined and Explained

Kinney said changes to this policy reflect how we currently are reviewing them. **Liard moved to accept the Policy Governance Defined and Explained. Heston seconded the motion and the motion passed.**

Bind Board Errors and Omissions Policy

White said this coverage protects the Board, EC, committees, and Pool staff. Fairly low cost for \$3 million in coverage, this policy renews April 1. **Jordan moved to bind the Board Errors and Omissions Coverage. Deutsch seconded the motion and the motion passed.**

Bind Pollution Liability Coverage

White reminded everyone the pollution policy renews for three-year terms on April 1. The premium is up slightly stating the cost is allocated per Member who participates annually. He reminded everyone as property is purchased, please notify them so it can be added to the policy (there is no automatic acquisition) and there will be a minimum premium charge for that. He also warned that the carrier is asking for another signed application that Staff will need to send out. **Mehin moved to Bind the Pollution Liability Coverage. Crouch seconded the motion and the motion passed.**

Brannin said we have gotten through the agenda and covered several topics for the sake of time she reminded everyone of the Cyber Training taking place on April 20 from 9 to 10 am, and the Claims Conference April 28 from 9 to 4. We approved the property coverage document, bound Errors and Omissions and Pollution coverages, approved PPAA giving members option for refund now or credit memo for 2022 assessment, monitoring strategic plan items, announced Safety Stars congratulations again to Community, Grant and Columbia, appreciate the financial reports, approved two governance policies, and many expressed appreciation for the videos.

Adjournment

Mehin moved to adjourn the meeting at 12:02 pm. Macdonald seconded the motion and the motion passed.

Submitted this 25th day of June 2021

Approved: 
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 Scott Deutsch, Secretary