



Insurance Authority

## FULL BOARD MEETING

May 19, 2023

### ZOOM

Members are attending this meeting remotely through Zoom. For those wishing to view the meeting, please click this link:

<https://us02web.zoom.us/j/82233706543?pwd=OEt0cmdNSHhyYU5kSFRyN1RZdEs1UT09>

#### 9:00 AM – 10:00 AM—Training Session: Anatomy of a Nuclear Verdict

Presented by attorneys Steven Rich and Bryan Scholnick with  
Tyson & Mendes LLP

#### 10:15 AM—Full Board Meeting

Call to Order/Roll Call

#### President's Message

#### Consent Calendar

Approval of January 2023 Full Board Meeting Minutes

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#### Action Item

2023 Liability Self-Insured Coverage Document

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#### Director's Report

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- WCIA Staff Updates
- Claim Trends
- Risk Management
- Virtual Reality Training for Law Enforcement
- Cyber Insurance Renewal
- WCIA Legislative Committee
- WCIA Internship Program

#### Risk Reduction Grant Recipients Presentation

*(The next Full Board meeting will be held in person only on Friday, October 20, 2023 at the Conference Center at SeaTac Airport.)*

## WCIA FULL BOARD MEETING

January 20, 2023

Zoom

The regular meeting of the Full Board 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**

Emily Schuh, Anacortes; James Trefry, Arlington; Paul Ellis, Arlington; Candis Martinson, Auburn; Joe Nienalt, Auburn; Kaylee Cody, Battle Ground; Rhonda Calkins, Battle Ground; Chuck McEwen, Bonney Lake; John Vodopich, Bonney Lake; Julie Evans, Bothell; Melisa Vaal Folmer, Bremerton; Lee Webster, Brewster; Paula Swisher, Brier; Garmon Newsom, Burien; Nathan Hawthorne, Burien; Shelley Acero, Burlington; Cathy Huber Nickerson, Camas; Mitch Lackey, Camas; Steve Croci, Cashmere; Angie Stritmatter, Centralia; Glenn Schaffer, Chehalis; Wade Farris, Chelan; Mark Schuller, Cheney; Anthony Glenn, Clark Regional Emergency Services Agency; Robert Omans, Cle Elum; Shawn Doering, College Place; Casey Parker, Covington; Rachael Young, Cowlitz 911; Dana Mason, Duvall; Kale Fong, Eastside Public Safety Communications Agency; Tyler Running Deer, eCity Gov Alliance; Heidi Behrends Cerniwey, Ellensburg; Wendy Collins, Elma; Chris Searcy, Enumclaw; Dianna Billingsley, Enumclaw; Rae Charlton, Federal Way; Brodie Rota, Fife; Derek Matheson, Fife; Jeff Balentine, Granite Falls; Brian Shay, Hoquiam; Steve Johnson, Hoquiam; Lauren Knox, Issaquah; Stephanie Johnson, Issaquah; Rich DePas, Jefferson County 911; Andrew Hamilton, Kelso; Brian Butterfield, Kelso; Michelle Kang, Kenmore; Denise Golembiewski, Kirkland; Truc Dever, Kirkland; Scott Thomas, La Conner; Bracy DiLeonardo, Lacey; Leialani Jensen, Lacey; Phillip Hill, Lake Forest Park; Mariah Low, Lake Stevens Sewer District; Maximillian Roth, Lake Stevens; Mary McDougal, Lakewood; Tho Kraus, Lakewood; Chantell Steiner, Leavenworth; Brian Loos, Long Beach; Kristina Swanson, Longview and Water Operating Board; Rashelle Douglas, Longview and Water Operating Board; Farah Derosier, LOTT Clean Water Alliance; Luke Lonie, Lynnwood; Julie Hunsaker, Maple Valley; Jeffrey Cole, Marysville Fire District; Steve Edin, Marysville Fire District; Anabel Martinez, Mattawa; Jazmin Hernandez, Mattawa; Steve Burns, Medina; Ali Spietz, Mercer Island; Jenna Richardson, Metropolitan Park District of Tacoma; Debb Matkin, Millwood; Trisha Summers, Milton; Deborah Knight, Monroe and TBD; Tyler Christian, Monroe and TBD; Allison Williams, Moses Lake; Kevin Fuhr, Moses Lake; Erin Keator, Mount Vernon; Peter Donovan, Mount Vernon; Sandi Lauer, Mountlake Terrace; Kara Johnson, Mukilteo; Steve Powers, Mukilteo; Christal White, Multi Agency Communications Center; Sarah Jacobs, Newcastle; Scott Pingel, Newcastle; Judy Cayton, NORCOM; Amanda Campbell, Northshore Utility District; Blaine Oborn, Oak Harbor; Marianne Ledgerwood, Oak Harbor; Scott Andersen, Ocean Shores; Connie Cobb, Olympia and MPD; Debbie Sullivan, Olympia and MPD; Scott Larson, Orting; Angela Pashon, Pasco; Abigail Fountain, Port Angeles; Lonnie Mickle, Port Townsend; Rhiannon Fernandez, Poulsbo; Dee Stiles-Elliott, Pullman and MPD and Pullman-Moscow Regional Airport Board; Sheri Larison, Puyallup; Heather Kintzley, Richland; Lee Knottnerus, Ridgefield; Joe Henne, Selah; Kristina Nelson-Gross, Sequim; Michelle Sutherland, Shelton and MPD; Curt Brees, Silver Lake Water and Sewer District; Helen Rasmussen, Skagit 911; Kevin Murphy, Skagit Council of Governments; Kurt Mills, Snohomish County 911; Rebekah Park, Snohomish; Shirah McDonald, Snohomish; Reina McCauley, Snoqualmie; Lucinda Gibbon, South Correctional Entity; Cynthia Shaffer, South Sound 911; Jeff Tower, Spokane Regional Emergency Communications; David Hammond, Stanwood; Paul Loveless, Steilacoom; Leana Kinley, Stevenson; Jennifer Bell, Sumas; Jason Wilson, Sumner; Jeff Steffens, Sumner; Duane Leaf, Three Rivers Regional Wastewater Authority; Scott Bowman, Three Rivers Regional Wastewater Authority; Aaron Moe, Thurston 911 Communications; TaSeana Tartt, Thurston Public Utility District; Tyson Justis, Thurston Regional Planning Council; Debbie Zabell, Toppenish; Heidi Riojas, Toppenish; Kristine Selleck, Tukwila Pool Metropolitan Park District; David Cline, Tukwila; Vicky Carlsen, Tukwila; James Trujillo, Tumwater and MPD; Sharon Bounds, Union Gap; Jennifer Robinson, University Place; Leslie Blaisdell, University Place; Mary Sue Robey, Valley Communications

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Center; Mark Horaski, Valley Regional Fire Authority; Andy Gomez, Walla Walla Valley Metropolitan Planning Organization; Timothy Barrett, Walla Walla Valley Metropolitan Planning Organization; Pamela Taylor, Walla Walla; Kristine Shuler, Warden; Julie Panick, Washington Multi-City Business License and Tax Portal Agency; Teresa Stedman, Washougal; Brad Posenjak, Wenatchee; Nicholas Crawford, Wenatchee; Lisa Strenge, WHITCOM 911; Jessica Compton, William Shore Memorial Pool District; Blaine Fritts, Woodinville; Heidi Napolitano, Woodway; Christina Wickenhagen, Yakima Valley Conference of Governments; Bonnie Ritter, Yarrow Point; Katy Kinney Harris, Yarrow Point; and Michael Grayum, Zillah.

### **OTHERS PRESENT**

Ann Bennett, Executive Director; Shannon Ragonesi, Counsel; Jared Burbidge, Treasurer/Finance and Administrative Services Manager; Michele Neumann, Authority Secretary; Robin Aronson, Risk Services Manager; Rob Roscoe, Deputy Director; Harlan Stientjes, Claims Manager; Patti Crane, Member Services Manager; Tanya Crites, Senior Risk Management Representative; Jessica Dedman, Claims Adjuster; Drew Brien, Senior Claims Adjuster; Sierra Wright, Claims Adjuster; Rachel Roberts, Claims Representative; Debbi Sellers, Senior Risk Management Representative; Carlene Brown, Senior Risk Management Representative; Kim Dennis, Senior Risk Management Representative; Maria Orozco, Member Services Coordinator; Katie Madsen, Member Services Assistant; Peter Kang, IT Administrator; Kellyn Popp, Accountant II; and Tiffany Woods, Programs and IT Coordinator.

### **CALL TO ORDER**

President Knight called the meeting to order at 10:15 a.m. and reviewed housekeeping items regarding the asking of questions and the making, seconding and voting on motions.

Roll was called.

### **PRESIDENT'S MESSAGE**

Knight welcomed everyone to the meeting. Stating that this is her last meeting as President, she thanked WCIA staff and Executive Committee members for their work and support, and she recognized retiring Executive Committee member Lackey for his service to Camas and WCIA. Knight reminded that the claims generated by the membership impact WCIA's bottom line and the annual rates paid for coverage. WCIA is not a traditional insurance company, and she stressed the importance of remembering that this organization is made up of public entities joining together for the purpose of providing liability and property financial protection. Indicating that today's agenda reflects that purpose, Knight previewed some of the items listed on the agenda such as the creation of a Legislative Committee which is one example of the proactive efforts of this organization to try to limit liability exposure. In conclusion, Knight expressed her gratitude to the membership for giving her the opportunity to serve as President of the Board, and she encouraged members to serve on a WCIA committee.

### **CONSENT CALENDAR**

Consent calendar item: October 2022 Full Board meeting minutes. ***Cline (Tukwila) moved to approve the consent calendar. Williams (Moses Lake) seconded. Motion carried unanimously.***

### **ACTION ITEMS**

- **2023 Liability Joint Protection Program and Coverage Document**

The Liability Joint Protection Program (LJPP) documents WCIA's responsibilities regarding coverage, service, cost allocation and claims process. The Self-insured Coverage Document is a subset of the LJPP and formalizes the coverage terms and conditions. Roscoe reviewed the

updates to the LJPP, which include: the 2023 liability reinsurance overall costs increased by 9.4%; WCIA removed both the 10% quota share with GEM (Government Entities Mutual) and the \$1 million annual aggregate deductible at the \$11 million layer, thus, WCIA is fully reinsured above the \$4 million self-insured retention limit up to \$20 million in limits for the membership; GEM will write coverage for \$6 million excess of WCIA's self-insured retention limit of \$4 million; GEM's participation decreased from the overall \$7 million to \$6 million, however, GEM will insure this layer at 100% for an overall price increase of 18% for 2023; WCIA added new carrier, Safety National, who will write coverage for the \$5 million excess of \$10 million layer which replaces four carriers that shared the \$4 million excess of \$11 million layer in 2022; and for the \$5 million excess of \$15 million layer, Allied World Assurance Company lowered their 2023 premium by 10%. In conclusion, Roscoe recommended approval of the LJPP and coverage document.

***Powers (Mukilteo) moved to approve the 2023 Liability Joint Protection Program and 2023 Self-insured Coverage Document as presented. Edin (Marysville Fire District) seconded. Motion carried unanimously.***

- **2023 Property Joint Protection Program**

The Property Joint Protection Program (PJPP) documents WCIA's responsibilities regarding coverage, service, cost allocation and claims process. The PJPP is elective for members, adopts the manuscript Lloyd's of London insurance policy for coverage, and outlines how loss payments will be allocated to the membership in the event of a catastrophe. The 2023 all risk property program renewed with a 2.16% increase while the earthquake coverage increased 13.5% and the terrorism coverage decreased 4%. Roscoe pointed out that the all risk property increase was mitigated as WCIA increased the deductible from \$750,000 to \$1,000,000 per occurrence. The WCIA scheduled values increased 29% from \$11.1 billion to \$14.3 billion in 2023. Overall, the WCIA property premiums increased 33% from the expiring year. Roscoe commented on the layers shown on the Property Insurance Program Diagram included with the action item, noting that multiple carriers take a percentage of certain layers.

***Behrends Cerniwey (Ellensburg) moved to approve the 2023 Property Joint Protection Program as presented. Zabell (Toppenish) seconded. Motion carried unanimously.***

- **2023 Auto Physical Damage Joint Protection Program and Coverage Document**

The WCIA Auto Physical Damage Joint Protection Program is an optional program to the membership. Roscoe indicated that vehicles in this program are insured above \$250,000 by the WCIA property insurance carriers, and the carriers only provide replacement cost coverage for vehicles five years old or less. Year 2022 ended with the program running at an 115% loss ratio. Member rates were increased in 2023 by 10% to cover increased costs and member losses.

***Robey (Valley Communications Center) moved to approve the 2023 Auto Physical Damage Joint Protection Program and 2023 Auto Physical Damage Self-insured Coverage Document as presented. Omans (Cle Elum) seconded. Motion carried unanimously.***

- **Resolution 269-23: WCIA Bylaws Revision - Legislative Committee**

Bennett explained that WCIA has long used a committee system consisting of volunteers from the membership to address specific areas of WCIA operations. Liability issues facing the membership have become more complex and the WA State Legislature's impact on liability expansion has been substantial for the last several years creating escalating costs for WCIA and its members. Bennett informed that WCIA has contracted a lobbyist for over 30 years, and

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that she, as Executive Director, has been the main spokesperson for the organization. She emphasized that legislators do not understand the purpose of risk pools and now is the time to involve the membership via a new committee to assist with the messaging. Thus Bennett recommended approval of the proposed WCIA Bylaw change to Article III, Section 13, OTHER COMMITTEES, creating a Legislative Committee that will focus on legislative matters that could impact liability exposures for the membership.

***Cody (Battle Ground) moved to approve Resolution 269-23, changing the WCIA Bylaws to create a Legislative Committee. Mills (Snohomish County 911) seconded.\****

Comments from the Board included: partnerships with the Association of WA Cities have been successful in the past when working with legislators; agreement with the formation of the committee; request that members be kept informed; and appreciation to Bennett for bringing this matter to the membership.

***\*Motion carried unanimously.***

- **2021-2024 WCIA Strategic Plan Revision**

Bennett stated that the Executive Committee reviews the progress of the WCIA Strategic Plan, which began development in 2020, and makes recommendations for changes during its annual retreat. Continuing goals for WCIA include: financial security, member service, risk management, and leadership in pooling. She indicated that ideas from the retreat held in September 2022 were incorporated and an updated plan has been drafted. Revisions to the plan include analyzing the current rating structure; establishing a Legislative Committee; offering WCIA Executive Team attendance to member leadership meetings; conducting a Cyber Coverage study; conducting a WCIA Bylaws review; and adding the topic of community responders to emerging risk trainings. Bennett recommended approval of the revised WCIA Strategic Plan as presented.

***Napolitano (Woodway) moved to approve the revised 2021-2024 WCIA Strategic Plan as presented. Searcy (Enumclaw) seconded. Motion carried unanimously.***

- **Election of Executive Committee Members**

Counsel Ragonesi announced that the election must occur at the annual meeting in January, and she reminded that the nominations for President and Vice President were closed at the Full Board meeting in October. Brian Loos, Long Beach, is the only candidate for President; and Paul Ellis, Arlington, is the only candidate for Vice President.

Ragonesi named the three current nominees for the three open positions on the Executive Committee as follows: Kevin Fuhr, Moses Lake; Paul Loveless, Steilacoom; and Debbie Sullivan, Olympia. She called for any further nominations from the floor for open positions on the Executive Committee. After calling three times for additional nominees, Ragonesi declared the nominations for Executive Committee to be closed.

Ragonesi explained that the election will be conducted via the Zoom polling feature and Zoom will calculate the preliminary results.

Board members cast their votes and the poll was closed. The unverified preliminary results of the election were displayed to the Board and read by Ragonesi as follows:

Executive Committee officers:

President: Brian Loos, Long Beach

Vice President: Paul Ellis, Arlington

Executive Committee positions (three):

Kevin Fuhr, Moses Lake

Paul Loveless, Steilacoom

Debbie Sullivan, Olympia

Ragonesi reported that the Zoom poll report will be reviewed and verified by Neumann (Authority Secretary) and then reviewed and authenticated by the proctor of the election, Searcy (Enumclaw). Once the preliminary results are authenticated, an email will be sent to members announcing the final results of the election.

## **REPORTS**

### **Authority Counsel's Report**

Ragonesi reported on the new WA Supreme Court ruling on the case of *Norg v. City of Seattle, No. 100100-2 (Wash. 2023)* regarding Seattle 911 communications and the fire response, which affects the public duty doctrine. Noting that the defense of this doctrine has been eroded over the years by court case decisions, she explained the facts in the case. Ragonesi opined that the court applied an incorrect legal analysis to reach its decision and she wanted to make the membership aware of this worrying court ruling.

### **Director's Report**

Bennett welcomed WCIA's newest member, the City of Wenatchee. Additionally, she introduced new Senior Risk Management Representative Kim Dennis, whose first day on the job was January 17.

Commenting on a recent verdict against Spokane County for which the jury awarded \$19 million to a former Sheriff's Deputy who claimed he was defamed by the Sheriff, Bennett voiced her concerns regarding nuclear verdicts. She expressed shock at the amount awarded for defamation, and noted that the involved county risk pool will pay the first \$2 million of the awarded amount. Pointing out that these types of verdicts lead to the frightening off of outside reinsurers from WA State, Bennett emphasized that actions members take impact the entire WCIA membership, their citizens and communities.

Turning to the topic of current WA legislation and its effect on WCIA and the membership, Bennett reviewed HB 1025 which would create a private right of actions for violations of the state Constitution or state law by peace officers. Proponents of the bill argue there are no remedies for people wronged by law enforcement due to Qualified Immunity in federal law and this bill specifically seeks to preclude it in WA State. From WCIA's experience, Qualified Immunity has been rarely granted in member law enforcement cases. Bennett warned that the bill will continue to increase police liability exposure for WCIA as it will divide officers and the City in the defense of claims and add the additional exposure to attorney fees for state law claims. She informed that WCIA will oppose this bill and will seek assistance from the membership.

Additionally, Bennett discussed another reintroduced bill that will be a massive exposure to cost if passed concerning prejudgment interest (SB 5059). If passed, she said this bill will hinder WCIA's ability to settle claims at a reasonable cost.

**Managers' Reports****• Robin Aronson, Risk Services Manager**

Aronson thanked the Risk Management Representatives for their hard work in 2022 during which they conducted seventy-one police liability audits, ten fleet liability audits, and one homelessness audit in addition to various Risk Management Reviews. She reviewed the other services provided by Risk Services staff such as delegate and alternate orientations; training classes on a variety of topics; the Risk Management Grant Program that awarded eleven mitigation grants and six staff development grants; and the popular Risk Consultation and Pre-Defense programs that addressed a variety of issues ranging from review of interlocal agreements to assistance with personnel and complex land use matters.

**• Patti Crane, Member Services Manager**

Crane voiced her appreciation to Member Services staff for their hard work and congratulated members for participating in trainings totaling 12,605 attendees in 2022. She detailed the trainings offered in the areas of employment and public safety; highlighted the new education offerings such as the Fleet and Driver Improvement Program and the Risk Management Credentialing Program; and noted that the Training Reimbursement Program returned \$390,190 to members through a total of 520 requests accounting for 48% of the training budget. Crane also reviewed the offerings slated for 2023, including a new forum for 911 communications; the purchase of a virtual reality security training system for law enforcement; and exploring the addition of a Level 3 to the Risk Management Credentialing Program.

Knight expressed her agreement with Taylor (Walla Walla) who indicated her appreciation for the quality and variety of trainings offered to the membership.

**• Harlan Stientjes, Claims Manager**

Pointing out that 2022 was the Claims Department's busiest year in the last decade, Stientjes stated that WCIA adjusters took on 79% of the 1,897 claims received and WCIA's outside claims vendor Sedgwick is handling the remaining 21%. For less reliance on Sedgwick, he informed that WCIA will be hiring an additional claims adjuster. Stientjes reported that 107 lawsuits were received, 36 of which were filed against police departments and 30 of which were against public works. Staff closed 1,841 claims for a final closure ratio of 97.05% in 2022. Additionally, he acknowledged WCIA's two new claims staff members; noted the numerous member trainings conducted throughout 2022 such as eighteen claim contact trainings; and highlighted the positive lawsuit results which included sixteen summary judgements and four defense verdict trials.

**• Rob Roscoe, Deputy Director**

Roscoe reported that despite a very challenging 2022, the WCIA liability renewal was successful. However, future renewals are worrisome due to WA legislative impacts and the limited number of reinsurers willing to do business in WA. He discussed the following: his hope that new carrier Safety National, which replaced four carriers, will be a long-term partner; the reasons for the lowered premium by Allied World Assurance Company (AWAC) in the \$15 million to \$20 million layer; WCIA's efforts to identify loss exposures early and to be more proactive as with establishing the Legislative Committee; the adverse claim year resulting in a combined auto physical damage and property loss ratio of 111%; the shrinking cyber insurance market and forthcoming survey to the membership regarding the program; the crime insurance renewal; WCIA is now in year two of the two-year pollution policy with AWAC; and WCIA's transition from TULIP to GatherGuard for special events insurance. Additionally, Roscoe thanked Programs Department staff members for all of their hard work.

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Responding to an inquiry regarding the member assessment increases in 2023, Roscoe stated that he did not think the increase for 2024 will be as large.

• **Jared Burbidge, Treasurer/Finance and Administrative Services Manager**

Reporting that revenues exceeded expenses in 2022, Burbidge expressed his pleasure that all departments were at or under budget. He reviewed the investment portfolio and reminded that WCIA is limited by the investment policy and statutorily as to how funds can be invested. Remarking on the administrative budget, Burbidge stated that 25% of the expenses are returned to members in the form of consultations, grants, and training programs. Additionally, he thanked the Budget and Investment committee members; recognized the hard work of the administrative staff members; and acknowledged WCIA’s WellCity status which results in discounted healthcare premiums. Concluding, Burbidge reminded that the 2023 liability assessment payments are due by January 30.

**MEMBER RECOGNITION**

Stating that Executive Committee member and Camas Police Chief Lackey has announced his intent to retire in early 2023, Bennett thanked him for his representation on the Full Board as both an alternate and delegate since 2002 and for his service on the Risk Management and Executive Committees.

Bennett also recognized President Knight for her service on the Executive Committee as a member since 2016, as Vice President from 2019 and 2020, and as President from 2021 to 2022. Bennett emphasized that she benefitted greatly from Knight’s insights from a member perspective and highlighted that Knight was contributory in transitioning the Full Board from in-person to remote meetings.

Knight thanked the Board and WCIA for the opportunity to serve and she encouraged members to be of service as well.

Knight adjourned the meeting at 12:06 p.m.

\_\_\_\_\_  
Brian Loos, WCIA President

\_\_\_\_\_  
Michele Neumann, Authority Secretary

Approved on: \_\_\_\_ / \_\_\_\_ /2023



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**2023 Liability Self-Insured Coverage Document**

Background

The Self-Insured Coverage Document is a subset of the Liability Joint Protection Plan and formalizes the coverage terms and conditions WCIA provides for the membership.

Discussion

WCIA added a new carrier for 2023, Safety National, to reinsure WCIA members for losses above the Government Entities Mutual (GEM) layer to provide \$5 million in coverage excess of \$10 million. When approved in January, some terms of the reinsurance agreement were still being negotiated and an agreement to remove the prior carrier's aggregate associated with "Wildfire Liability" was reached.

This action item deletes the reference to aggregate limits for the peril of "Wildfire Liability" in the reinsurance layer provided by Safety National. This change is retroactive to the beginning of the coverage on January 1, 2023.

Recommendation

Approve the 2023 Liability Self-Insured Coverage Document as presented.

# Self-Insured Coverage Document

# #CT-2023



## WASHINGTON CITIES INSURANCE AUTHORITY

**Self-Insured Coverage Document CT-2023  
January 1, 2023 to January 1, 2024  
12:01 am Pacific Standard Time**

### LIMITS/ULTIMATE NET LOSS:

SELF-INSURED LAYER LIMIT:	\$4,000,000 PER OCCURRENCE
REINSURED LAYER GEM:	\$6,000,000 PER OCCURRENCE
REINSURED LAYER Safety National:	<p>\$5,000,000 PER OCCURRENCE AND \$25,000,000 all lines of business POOL AGGREGATE</p> <p>\$5,000,000 General Liability per occurrence and \$5,000,000 aggregate per member</p> <p>\$5,000,000 Auto Liability per occurrence</p> <p>\$5,000,000 Employee Benefits per occurrence and \$5,000,000 aggregate per member</p> <p>\$5,000,000 Errors or Omissions liability per occurrence and \$5,000,000 aggregate per member</p> <p>\$5,000,000 Employment Practices Liability per occurrence and \$5,000,000 aggregate per member</p> <p>\$5,000,000 Police Professional Liability per occurrence and \$5,000,000 aggregate per member</p> <p>\$5,000,000 Stop Gap Coverage per occurrence and \$5,000,000 per member</p> <p>\$5,000,000 Prior Wrongful Acts per occurrence and \$5,000,000 aggregate per member</p> <p><del>\$4,000,000 Wildfire Liability POOL AGGREGATE</del></p>
REINSURED LAYER Allied World Assurance Company:	<p>\$5,000,000 PER OCCURRENCE AND \$5,000,000 AGGREGATE PER MEMBER and \$25,000,000 POOL AGGREGATE</p>
TOTAL LIMIT:	\$20,000,000 PER OCCURRENCE, subject to aggregates and sub-limits below and in Section I.D, and Section I.E in the WCIA Joint Protection Program.

### SPECIFIC AGGREGATE LIMITS/SUB-LIMITS:

\$4,000,000 per occurrence limit and \$4,000,000 annual aggregate per member applying to Terrorism.

\$5,000,000 per occurrence limit and \$5,000,000 annual aggregate limit per member for Errors or Omissions Coverage arising out of the operations, ownership, maintenance or use of any airport.

\$5,000,000 per occurrence limit and \$5,000,000 annual aggregate limit per member for any liability arising out of Land-Use Planning and Land-Use Regulation, zoning, and any other land use and permitting process.

\$10,000,000 per occurrence per member for any loss, liability cost, damage, expense, fine or penalty of any insured resulting from or arising out of or related to directly or indirectly or in whole or in part to property damage or bodily injury caused by the gradual or sudden "Subsidence" of the earth.

DESCRIPTION OF COVERAGE: General Liability, Automobile Liability, Stop-Gap Coverage, Errors or Omissions Liability, Employee Benefits Liability, Employment Practices Liability, Prior Wrongful Acts, and Police Professional Liability Coverage.

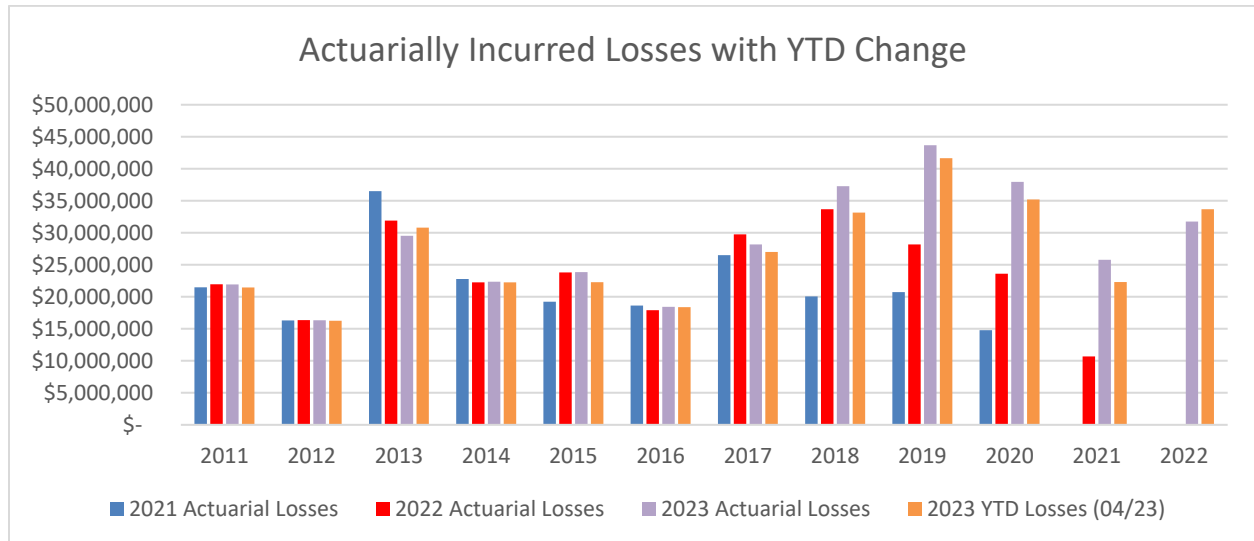
WCIA Staff Updates

Senior Risk Management Representative Debbi Sellers is retiring on June 2 after 17 years of service to WCIA. During her long career with WCIA, Debbi has guided many members in reducing their liability exposure through her advice, audits and guidance. Her dedication to member service has been exemplary and her hard work for the membership will be greatly missed. Senior Claims Adjuster Drew Brien moves over to Risk Management on May 17 to be mentored by Debbi prior to her departure.

I am pleased to announce the hiring of two new employees in the Claims Department. Jennifer Valencia started in February as a Claims Representative handling member auto and property claims. Jennifer has ten years of prior claims handling experience and comes to us by way of Progressive Insurance and State Farm. This is a new position that will reduce claim assignments to Sedgwick adjusters. Tiffany Ambrose started this month as a Senior Claims Adjuster taking over Drew Brien’s caseload. Tiffany has 12 years of claims experience with Allstate handling complex litigation.

Claim Trends

WCIA’s actuary, PwC, has completed their reserve study for the 2022 year-end financials. WCIA’s total net reserves are \$154 million, which is \$24 million higher than the \$130 million estimated last year. The reserve recommendations are based on current loss reserves. The below chart demonstrates the loss reserves provided to the actuary each year end with the addition of 2023 losses currently. The increasing claim reserves for the last five years is based on changes in claim experience including changes in case law, legislation and jury verdicts. Recent verdicts against public entities have been significant. A jury awarded \$19.5 million to a deputy who alleged defamation by the county sheriff and a Washington Court of Appeals reinstated a jury’s \$98.5 million verdict awarded against the State Department of Social and Health Services for negligently failing to protect children under their supervision.



### Risk Management

The Risk Management Representatives have begun the COMPACT audits. Most members are selecting Special Events and WCIA's Special Event Tool Kit has been updated and is available on the website. The Risk Management Reps will also be visiting the membership in person this year after a long absence. Unlike previous years, the Risk Reps will give members a choice of what the in-person visit will cover from audits to annual reviews to site inspections. During the annual review, the Risk Reps will continue to review members' Risk Profiles which members have real time access to in Origami. Due to security settings, members can only see their data but the Risk Reps will provide comparative group data during the annual review or by request.

Staff completed a request for proposals for property loss control engineering services and thermography scans. Hartford Steam Boiler (HSB) Inspection and Insurance Company was selected to survey WCIA wastewater treatment plants and other high valued locations. Loss control inspections and thermography scans will take place during the spring, summer, and fall months within a five-year timeframe. An HSB consultant will work with members to coordinate the inspections and scans and will offer recommendations for the prevention of property losses. This is a critical service in a challenging property insurance market and should assist the overall program in securing a more favorable property renewal.

### Virtual Reality Training for Law Enforcement

Over the last several years WCIA has spent millions of dollars settling and defending claims of excessive force. To assist members in reducing this exposure, WCIA has purchased the Street Smarts Virtual Reality (SSVR) system. This system will allow member law enforcement agencies to train officers utilizing real world scenarios in a safe environment. The purchase provided WCIA with two virtual reality headsets with accompanying hardware accessories and a two-year software license. A "Train the Trainer" session is a pre-requisite to borrow the equipment for use and several sessions have already been offered. The SSVR equipment will be made available to members free of charge through the Member Services SSVR calendar. An acknowledgement of user protocols will be required prior to receiving the equipment.

### Cyber Insurance Renewal

WCIA was able to secure renewal terms with our existing Cyber carrier, AIG, at a 15.2% premium increase over the expiring term. Overall limits and deductibles remained the same with a \$1 million limit, \$100,000 deductible, and a \$5 million pool aggregate. Extortion/Ransomware has a pool sublimit aggregate of \$2.5 million with a \$100,000 deductible per member. Individual members are now being placed into separate sublimit tiers for Extortion/Ransomware based on their controls and responses to the Cyber questionnaire. The coverage is broken down below:

- Tier 1: \$500,000 sublimit - Best in class, 8 members
- Tier 2: \$250,000 sublimit - Above average, 35 members
- Tier 3: \$100,000 sublimit - Average, 113 members (***This is the expiring coverage***)
- No coverage provided for Ransomware Event and Cyber Extortion - Below average or did not complete the ransomware supplemental. This impacted 9 members but only 4 members with an actual cyber footprint. The other 5 members were taxing authorities only and did not complete a questionnaire.

WCIA will be communicating with AIG regarding how members can improve their cyber profile (if they want more limits) and move into the next tier of coverage.

WCIA Legislative Committee

After approval in January, the new Legislative Committee has begun its work meeting twice since inception. The Committee currently has six members: Paul Ellis (Arlington); Truc Dever (Kirkland); Wade Farris (Chelan); Brian Loos (Long Beach); Blaine Oborn (Oak Harbor); and Chris Searcy (Enumclaw). Committee discussions included adding additional committee members, the history of WCIA's interactions with legislators, current legislation impacts, and a discussion with WCIA's lobbyist. The Committee will next work on developing talking points for the membership to utilize when talking to legislators about liability concerns. Members will be asked to insert their own stories of what was given up or will be given up due to rising costs or lack of insurance due to the current tort environment.

A special thank you to the membership for contacting your legislators on two very concerning bills this session that would have increased exposures significantly.

WCIA Internship Program

Last September, the Executive Committee passed Resolution 266-22 creating a twelve-week paid internship program to work with all WCIA Departments. The program seeks to attract the next generation of insurance professionals in the field of risk management and introduce them to municipal pooling. It is the hope of staff that this individual can bring in new perspectives, create a pipeline for potential new hires, and provide mentorship opportunities for existing employees. Recruitment for this position has begun with initial interviews taking place. It is anticipated that a successful candidate would start this summer.