Goals for 2015 embrace new perspectives

By Ann Bennett

Every September the WCIA Executive Committee and management staff attend a 2 day goal setting retreat. This year’s retreat was held in the City of Anacortes and the 2015 Goals were developed for presentation to the Full Board, for approval at their October meeting.

The committee was presented information on loss trends, where major losses are occurring and what factors have inflated losses. Additionally, WCIA’s independent actuary, Craig Scukas of PricewaterhouseCoopers, presented an in-depth review of the assessment process. Mr. Scukas explained the current methodology and experience rating considerations, and gave the committee discussion points to consider. Staff also updated the committee on the current status of risk pooling and the insurance industry.

David Mercier served as the facilitator for the goal setting exercise and led the committee through a series of thought provoking questions to start the process. The committee discussed the values of the pool, the challenges faced, new perspectives to embrace, and future opportunities. Through the discussion the goals were developed.

Ensuring the pool’s financial stability was discussed and resulted in goals to evaluate the current self-insured retention level, monitor the target fund balance and seek an actuarial review of the property program. Other goals focused on effective communication with the members, assisting them in mitigating their losses and reviewing WCIA program effectiveness. Specifically, staff has been asked to update member risk profile reports, work collaboratively with members to develop improvement plans to addressing specific types of loss, and work on identifying characteristics of well-performing members and share their best practices.

There was much discussion on the role of elected officials in losses, in understanding what WCIA does and how their community benefits from our services. This resulted in a goal to expand elected official trainings and educational offerings.
WCIA receives high praise in claims audit

By Reed Hardesty

In addition to the State Auditor review of WCIA’s operations, the claims department also undergoes a separate claims audit to comply with WAC 200-100-050 and the requirements of our reinsurers.

In July, our claims operation was audited by Praxis Claims Consulting. The auditor received a listing of all our claims for the last seven years and he selected 70, open and closed claims to review our claim handling compared to industry and pooling claim practices.

The report concluded by stating “the files show excellent claims handling adherence to standard industry best practices. WCIA complies with the WAC as well as AGRIP’s advisory standards. The current claims staff appears to have the technical expertise and sophistication necessary to properly handle the current inventory of claims.”

The auditor looks for timely acknowledgement and investigation of claims and reasonable claim decisions based on the information known at the time. An important element of claims handling is reserving. It is the claim adjuster’s job to analyze the anticipated end result of a particular claim and “reserve” or call out that dollar amount in the claims system. There is not an easy metaphor, but it’s similar to setting aside money in a savings account that you expect to write a check for at a later date. The adjusters will set aside indemnity reserves and expense reserves based on what they expect they may have to pay over the course of a claim.

Most of our claims resolve within 60 days, though many claims remain open for three to five years. We have a few “special” claims that trample through various courts of appeal and seem impervious to closure. The department knows those claims on a first name basis. The adjusters use the ongoing information exchange to modify reserves to attempt to reflect anticipated results. The actuary uses those reserves to understand likely future financial needs of the pool to meet the claim obligations. Those claim obligations are the single largest element of what you pay WCIA through the member assessment.

The auditor reported, “There is no evidence of either stair stepping or suppression of reserves. Indemnity and expense reserves are sufficient to reflect the expected exposure.” The audit requirement is valuable and allows members an outsider’s view our claims staff’s operation. It gives information to state regulators and helps the liability reinsurers trust us and may allow more favorable pricing. As all auditors do, he gave the adjusters a few things to work on, which they will.

Praxis has experience auditing other risk pools in the nation as well as some Washington State risk pools. He understood the added complexities of municipal exposures, and the uniqueness of risks that evolve from legislative bodies. He recognized the membership’s engagement in the claims process and the experience of the claims staff in handling these exposures as a strength of WCIA. A special thanks to the membership and congratulations to the claims staff on successfully completing the claims audit.
Are your catch basins grate?
By Lisa Knapton

Fall leaves are magnificent to look at until they end up in your catch basins and storm grates.
The leaves are just beginning to turn their glorious colors so now is the time to inspect your storm drain system to identify and repair conditions that could lead to system failure, eventual flooding, and increased erosion.

Maintaining catch basins, storm water inlets, drainage ditches, storm grates and detention ponds on a regular basis during the fall and winter months will remove pollutants, accumulated leaves, sediment and trash. It will also prevent clogging of the conveyance system and restoring catch basin trapping capabilities.
The surface of catch basins should be cleared of debris such as leaves, trash, silt, and other pollutants. Most catch basin waste is of acceptable quality for landfills; however, if oil, antifreeze, paint, or other wastes are discovered in any catch basin, the waste may be hazardous thus requiring special disposal. When the temperature dips and snowfall occurs, accumulations of snow and ice should be removed from catch basin grates to avoid clogging of the system, as well.
Vegetation surrounding drainage ditches, culvert openings and retention/detention ponds should be mowed if it restricts flow or causes a backup. While performing mowing operation is a good time to inspect drainage ditches for signs of erosion and debris build-up.
Detention/retention ponds should be inspected and have maintenance performed in early fall as well. The inlets, outlets, animal grates and filters should be cleared of debris. If erosion is identified, the pond should be flagged for re-seeding in the spring.
The location and maintenance of storm systems should be tracked, ideally, by using a database and special reference system (e.g., Global Positioning System or Geographical Information System). Accurate records of your inspections and maintenance should always be documented and indexed for easy retrieval.
Some members have implemented Leaf Pick-Up programs. The City of Longview has a program involving property owners collecting leaves that have fallen from city maintained trees and placing them in the street, one foot from the curb to allow drainage. City staff gathers the leaves for disposal. The community is also asked to help prevent flooding by clearing leaves from the catch basin grates until the city crews are able to remove the leaves from the street. Communication is key to implementing a program like Longview’s; citizens can be reached by posting the information on your website, including notifications in your newsletters and providing inserts in your utility billing statements.
For further guidance, please contact your Risk Management Representative at WCIA.

Learn more about WCIA through service

Nominations for open committee positions are now being solicited, and will remain open until the Annual Meeting of the Full Board in January.
The WCIA committee system provides an opportunity for delegates or alternates to contribute their leadership skills to the organization while learning more about the pooling. Through this process the membership has a voice in determining the direction of the organization.
There are currently openings on the Long-Range Planning and Loss Control Committee meetings. If you are interested in serving on either of these committees, submit a nomination form to Board Secretary Tina Smith. Nominations can also come from the floor of either meeting of the Full Board in October and January.
Chehalis implements improvements with Risk Reduction Grant

Street/Storm Superintendent Don Schmidt recently extended his gratitude to WCIA for the ability to install flashing pedestrian beacons, pictured below, through the Risk Reduction Grant process. "We have received numerous positive comments from our citizens. Thanks to WCIA for providing the city the opportunity to complete this safety improvement." The Grant Committee will be meeting to discuss plans for 2015 so be sure to watch for more information.

Farewell Dave, and welcome Paul!

Dave Zabell, former delegate for the City of Fife and Executive Committee member, was hired in August as the new City Manager for Pasco. Since Pasco’s Deputy City Manager Stan Strebel was recently elected to the committee, Dave vacated his position in order to eliminate two members serving from the same entity. President Jared Burbidge appointed Chelan City Administrator Paul Schmidt to serve out that remaining term. Paul was able to participate in the goal setting session at the retreat.