



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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**AS APPROVED**

To: Local Government Self Insurance  
Health and Welfare Advisory Board

From: Shannon Stuber  
Local Government Self Insurance Program

Subject: Health and Welfare Advisory Board Meeting Minutes  
October 9, 2008 meeting

**BOARD MEMBERS PRESENT**

Sharon Dehaan City of Everett  
Ruth Hultengren King County  
Dennis Julnes Office of the Insurance Commissioner (OIC)  
Richard Rodruck Public Utility Risk Management Services (PURMS)  
Ruth Russell University Place Schools  
Shannon Stuber Local Government Self Insurance Program (LGSI)

**BOARD MEMBERS ABSENT**

Irene Eldridge Service Employee International Union Local 925 (SEIU)  
James Trefry WA State Council of County and City Employees/AFSCME

**STAFF/GUESTS**

Don Johnsen Local Government Self Insurance Program (LGSI)  
Mike Peterson Tacoma Schools  
Dan Potapenko State Auditors Office (SAO)

**CALL TO ORDER**

Chair Dick Rodruck called meeting to order 9:30 a.m.

**APPROVAL OF PREVIOUS MEETING MINUTES**

The August 14, 2008 meeting minutes were approved.

**BOARD MEMBER NEWS/ISSUES DISCUSSION**

Board members discussed specific program as well as general employee health benefits issues, 2008 year to date claims experience and 2009 program changes and budgets.

Dennis Julnes reviewed the preliminary OIC 2009 legislative agenda including the Commissioner's Guaranteed Health Benefit Plan.

Dan Potapenko reviewed an SAO initiative to correlate the financial by local government self insured programs to the SAO and LGSI.

Shannon Stuber discussed the past two Board meeting discussions regarding the general decrease of reported IBNR and available funds levels relative to program expenses as well as particular issues of self insured employee medical benefits programs. Of continuing concern is the number of programs reducing available funds to lower or stabilize premiums. Some of these programs have also significantly increased stop loss deductibles, in some cases from \$200 to \$450,000 - further increasing their potential liability level.

Shannon noted LGSI would be working with representatives of the State Auditor's Office to assure health and welfare programs are using GAAP reporting for their insurance funds. She discussed the use of a separate balance sheet for an entity's self insured program account as likely the best way to approach this, given that schools and smaller entities may be using cash basis accounting which would not fully disclose the liabilities of the program. It also appeared to her both property/liability and health benefit programs need to increase available fund levels.

Shannon also reviewed a plan to involve the Board in clarifying the current WAC language which provides the administrative operating rule direction for both self insured property/liability and employee health benefit programs in the same paragraphs. She proposed to separate each into more clearly defined sections and to also transition the current guidelines to either an operations manual or include them in the WAC revision by mid 2009.

Dick Rodruck was nominated and elected 2009 Board Chair.

#### **FUTURE MEETING SCHEDULING/BUSINESS/LOCATION**

The Board approved February 12, May 14, August 13 and October 8, 2009 dates for board meetings at the Washington Cities Insurance Authority Training Room.

#### **PUBLIC COMMENT**

There were no public comments.

#### **ADJOURN**

Meeting adjourned 12:00 p.m.