



September 20, 2013

Devin Proctor, Rules & Policy Coordinator
Department of Enterprise Services
Contracts and Legal Services Division
P.O. Box 41410
Olympia, WA 98504-1410

SEP 22 2013

Re: Proposed Rule Making – Chapter 200-100 WAC, Self-Insurance requirements governing local government and nonprofit self-insurance

Dear Mr. Proctor:

The Association of Washington Cities Risk Management Service Agency (AWC RMSA) Board Directors supports the proposed revisions to WAC 200-100-02023, 03001, 037, and 060, as developed in part, by our participation in the Washington Risk Pools Advisory Council (WRAC).

In particular we support:

- **Standards for solvency** – Actuarially determined liabilities, program funding and liquidity requirements; specifically, increasing the amount of combined assets needed from the 70% to the 80% confidence level, and to establish a remedy to be taken by the state risk manager when a pool fails to respond to the state risk manager's requests for an improvement plan, and identifies the procedure to be followed by the state risk manager when a pool operating under supervisory watch of the state risk manager declines to the point that monetary reserves available to pay for claims fall below the 70% confidence level.
- **Standards for management and operations** – Financial plans. The proposed changes that reduce the time that audited financial statements are to be provided to the state risk manager from one year to eight months from a pool's fiscal year end, and prevents loaning of monies needed to pay claims to any entity.

We believe these modifications are reasonable given the expectations of members that their risk pool is solvent, and capable of protecting their assets, especially during this period of prolonged economic distress for many of our members.

Sincerely,

Steve Ekberg
President, AWC RMSA Board of Directors

cc: Lucy Isaki, State Risk Manager