

Historical Outline of the WFCA's Insurance Rate Stabilization Reserve Account (IRSRA)

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In 1979 the health care contract, policy owner/holder Washington Fire Commissioners Association, produced a \$95,000 surplus (expenses, claims versus premium income). The contractor, Washington Physicians Service, sent the \$95,000 to the Washington Fire Commissioners Association because of stipulations in the contract that required Washington Physicians Service to return surpluses to the policy owner, and further that shortages would be paid by the policy owner to the contractor.

This event triggered discussions, meetings and considerations to determine the liability of the Washington Fire Commissioners Association for shortages as well as what would happen to surpluses if the WFCA declined to accept. With involvement and guidance from the state auditor, the attorney general and a private trust attorney, it was determined that the liability for the Washington Fire Commissioners Association for losses could easily bankrupt the association and that the surplus should be preserved to protect liability of the association and to benefit participating fire districts rather than be distributed to stockholders of the contractor.

Two major occurrences followed:

- The establishment of the Insurance Rate Stabilization Reserve Account (IRSRA) resolution;
- The rewriting of the health care contract to protect the Washington Fire Commissioners Association from catastrophic financial obligations.

The Washington Fire Commissioners Association adopted [Resolution 12-80\(b\)](#) on the recommendation of the state auditor, the state attorney general and the private attorney hired.

Effective January 1, 1999, after consideration and recommendation by the IRSRA Committee (commonly referred to as the Health Care Committee), the WFCA Board of Directors authorized the committee to institute a self-funded WFCA health care program under the authority within the state of Washington Risk Management Division. This action was taken after review by the state of Washington Risk Manager asserting IRSRA funds were adequate for a self-funded program. The self-funded health care program is audited annually by the State Auditor.

Effective January 1, 2018, after consideration and recommendation by the Health Care Committee, the WFCA Board of Directors authorized the committee to institute a self-funded WFCA dental program under the authority within the state of Washington Risk Management Division. This action was taken after review by the state of Washington Risk Manager asserting dental reserve funds were adequate for a self-funded program. Audit programs for the self-funded dental program are in place.

Members of the committee are appointed (and serve at the pleasure of) the Board of the Washington Fire Commissioners Association. The authorities, responsibilities, obligations and operational procedures are clearly established in Resolution No. 12-80(b). All records of the Health Care Committee, both as to meetings and finances, are open and available.

The following individuals currently serve as members of the Health Care Committee:

Chair: Jack Hensley, Commissioner, Spokane 4

Member: Gene Carmody, Commissioner, Port Ludlow Fire & Rescue

Member: Ken Eakin, Commissioner, Yakima 12

Member: James Farrell, Commissioner, Mountain View Fire and Rescue

Member: Brad Langdell, Commissioner, Walla Walla 5

NOTE: If you would like specific information regarding the health care program, please call the WFCA office at 1.800.491.9322.