



CO00029689

ORDINANCE NO. 80-103  
RELATING TO THE ESTABLISHMENT OF PROCEDURES  
FOR PROVIDING FOR FIRE INSURANCE COVERAGE  
FOR COUNTY PROPERTY

BE IT ORDAINED:

Section 1. A new chapter is added to the Snohomish County Code setting forth procedures for providing fire insurance coverage for county property as follows:

CHAPTER 4.46

FIRE INSURANCE CUMULATIVE RESERVE

ACCOUNT AND CLAIMS PROCEDURES

Sections:

- 4.46.010 Purpose
- 4.46.020 Self insurance retention
- 4.46.030 Initial contribution to fund
- 4.46.040 Initial contribution, how made, by whom
- 4.46.050 Amount of subsequent contributions
- 4.46.060 Interest paid to fund
- 4.46.070 Premium payment
- 4.46.080 Subsequent contributions to fund and payment of premium
- 4.46.090 Procedure where loss is greater than that in reserve fund
- 4.46.100 Reimbursement of fund, where balance drops below \$250,000
- 4.46.110 Claim when paid
- 4.46.120 Decision to rebuild
- 4.46.130 Disbursement of monies from fund
- 4.46.140 Budget office responsibility
- 4.46.150 Treasurer's duties
- 4.46.160 Risk management duties
- 4.46.170 Increase in fund
- 4.46.180 Severability

4.46.010 Purpose. The purpose of this chapter is to establish a cumulative reserve fund pursuant to RCW 36.33.020 to be known as the "Fire Insurance Claim Cumulative Reserve Fund." Further, this chapter establishes the procedures for contribution to the fund, payment of claims against the fund, and payment of claims greater than the balance in the fund but within the limits of the county's \$250,000 self-insured retention.

4.46.020 Self insurance retention. The county council establishes a \$250,000 self insurance retention fund for fire losses suffered to county property through the establishment of a cumulative reserve fund which by this section is hereby established and delineated the "Fire Insurance Claim Cumulative Reserve Fund."

4.46.030 Initial contribution to the fund. The initial contribution to the fund will be \$70,000 which is the difference between the premium cost of a full coverage fire insurance policy for county property in 1979 and the premium

cost of a \$250,000 self-insurance retention fire insurance policy for county property in 1980.

4.46.040 Initial contribution, how made, by whom. The initial contribution of \$70,000 to the fund will be paid on a pro rata basis by those county departments that occupy various county buildings. This pro rata share is based on the proportionate share of total building values for 1980 currently occupied by the county departments listed below:

Airport	.3686
Fair	.0734
Parks	.0101
Public Works	.0334
Courthouse Complex	.4602
South District Court	.0138
Evergreen District Court	.0084
Cascade District Court	.0084
Sheriff East Station	.0009
Youth Center	.0214
Girls Home	.0014

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4.46.050 Amount of subsequent contributions. Subsequent contributions to the fund will be determined on a yearly basis by comparing the premium cost of full fire insurance coverage for all county buildings to the premium cost for fire insurance coverage with a \$250,000 self insurance retention for all county buildings. The difference between these two figures will be the annual contribution to the fund. Subsequent annual contributions will be made until the first year that the total of the fund, including principal and interest, is equal to or exceeds \$250,000.

4.46.060 Interest paid to the fund. Interest earned by the fund shall be deposited in the fund to aid in arriving at the \$250,000 retention total. The treasurer, or his successor, shall be responsible for investing the money in this cumulative reserve fund.

4.46.070 Premium payment. The payment of the initial annual premium for the fire insurance policy with a \$250,000 self insurance retention shall be appropriately budgeted for and calculated on the basis of the same pro ration as established in Section 4.46.040.

4.46.080 Subsequent contributions to the fund and payment of premium. The payment of all subsequent contributions to the fund and payment of all subsequent premiums for the fire insurance policy with the \$250,000 self insured retention shall be on the basis of a pro ration based on the proportionate share of total building values occupied by those county departments in the year the premium and contribution to the fund is due. This pro-ration will of necessity vary from year to year depending on the value of the buildings, additional construction, and changing degree of usage by the county departments involved. The risk manager shall be responsible for calculating these figures.

4.46.090 Procedure where loss is greater than that currently in cumulative reserve fund. In the event that there is a loss greater than the amount accumulated in the reserve fund at the time the loss occurs, the county council is authorized to fund the difference by available budgetary measures including, but not limited to, an emergency appropriation.

4.46.100 Reimbursement of fund where reserve drops below \$250,000. Once the fund has a \$250,000 balance in it and a loss or series of losses causes the fund to go below the \$250,000 retention, the county council shall through available budgetary procedures, including, but not limited to an emergency appropriation, take the necessary steps to reestablish the \$250,000 balance in the fund. Contributions for such purpose shall be made as provided in Section 4.46.040 and 4.46.080.

4.46.110 Claim, when paid. The decision to pay a claim for damage by fire or allied line parallel to the Excess Insurance coverage will be based on a decision to rebuild or repair the structure damaged. When a decision is made to rebuild or repair the structure damaged, the claim will then be paid. If a decision is made to not rebuild or repair the structure, then no claim will be paid to the department suffering the loss. The money from any claim paid as set forth herein must be used for rebuilding or repairing of the structure damaged by fire. The decision to rebuild or repair any county structure damaged or destroyed by fire and the extent of contribution therefor from the Fire Insurance Claim Cumulative Reserve Fund shall be determined by the county council.

4.46.120 Decision to Rebuild. The risk manager and the executive, as well as the head of the affected department, shall be consulted in any decision to rebuild or repair a county structure damaged by fire.

4.46.130 Disbursement of monies from the fund. Whenever a decision has been made to rebuild or repair a county structure damaged or destroyed by fire or allied line, the treasurer or his successor shall be directed by the executive to make a cash disbursement to the proper fund involved so that it can be used to rebuild and/or repair the fire damage.

4.46.140 Budget office responsibility. The budget office shall be responsible for preparing the necessary budgetary procedures to appropriately charge and account for the contributions to the fund and payment of the premium as it affects the county departments receiving coverage under this fire insurance policy.

4.46.150 Treasurer's Duties. The treasurer shall be charged with the responsibility of prudently investing the monies deposited in the "Fire Insurance Claim Cumulative Reserve Fund" so as to receive the best possible rate of return. Further, all cash disbursements from the fund shall be made only after a county council decision to rebuild or repair the fire or allied line damaged property and also only at the direction of the county executive.

4.46.160 Risk manager. The risk manager shall be responsible for insuring that all reasonable steps are taken by county employees to reduce the threat of fire loss or damage. Further, the risk manager shall be responsible for advising on the coverage required to give the county the best possible fire insurance protection.

4.46.170 Increase in fund. The county council may determine that the "Fire Claim Cumulative Reserve Fund" should be increased to some figure in excess of \$250,000 due to such factors as economic conditions or premium costs. If such determination is made, the increase in the fund will be provided for as set forth in Section 4.46.080.

4.46.180 Severability. If any court shall find any provision of this title or its application to any person or

circumstance to be unconstitutional or otherwise invalid, such findings shall not affect the validity of all remaining portions of this title or the application of this title to other persons or circumstances.

Passed this 26th day of November, 1980.

SNOHOMISH COUNTY COUNCIL  
Snohomish County, Washington

Donald J. Butts  
Chairman

ATTEST:

Ellie Snyder  
Clerk of the Council

- APPROVED  
 VETOED  
 EMERGENCY

DATE: 12-2-80

Willis D. Tarkenton  
County Executive

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