

account shall be credited to the deferred compensation ((fund)) principal account, notwithstanding RCW 43.84.090.

(4) The deferred compensation administrative account is hereby created in the state treasury. All expenses of the committee including staffing and administrative expenses shall be paid out of the deferred compensation administrative account. Notwithstanding RCW 43.84.090, all earnings of investments of balances in the deferred compensation administrative account shall be credited to this account. Any excess of earnings of investments of balances credited to this account over administrative expenses disbursed from this account shall be expended to the deferred compensation principal account. Any deficiency in the deferred compensation administrative account caused by an excess of administrative expenses disbursed from this account over earnings of investments of balances credited to this account shall be transferred to this account from the deferred compensation principal account.

(5) The deferred compensation committee shall keep or cause to be kept full and adequate accounts and records of the assets, obligations, transactions, and affairs of any deferred compensation plans created under RCW 41.04.250 through 41.04.260.

The deferred compensation committee shall file an annual report of the financial condition, transactions, and affairs of the deferred compensation plans under the committee's jurisdiction. A copy of the annual report shall be filed with the speaker of the house of representatives, the president of the senate, the governor, and the state auditor.

~~((5))~~ (6) Members of the deferred compensation committee shall be deemed to stand in a fiduciary relationship to the employees participating in the deferred compensation plans created under RCW 41.04.250 through 41.04.260 and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinary prudent persons would exercise under similar circumstances in like positions.

~~((6))~~ (7) The committee may adopt rules necessary to carry out the purposes of RCW 41.04.250 and 41.04.260.

Passed the House February 27, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 122

[House Bill No. 378]

STATE EMPLOYEES' INSURANCE FUNDS AND ACCOUNTS MODIFIED

AN ACT Relating to the state employees' insurance revolving fund; amending RCW 41.05.030, 41.05.040, and 41.05.050; and adding a new section to chapter 41.05 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 3, chapter 39, Laws of 1970 ex. sess. as last amended by section 1, chapter 38, Law of 1975 1st ex. sess. and RCW 41.05.030 are each amended to read as follows:

(1) The state employees' insurance board shall have the following powers and duties, in addition to any other powers and duties prescribed by law: (a) To authorize the director of personnel to appoint a benefits supervisor, to whom the director may delegate his duties hereunder, and other necessary personnel, subject to the jurisdiction of the state civil service law, chapter 41.06 RCW; (b) to authorize other necessary administrative expenses; ~~((and))~~ (c) to provide for the ~~((expenditure))~~ disbursement of funds in the state employees' insurance ~~((revolving fund))~~ principal account for payment of premiums~~((:));~~and to reduce employee contributions or increase benefits~~((:));~~; and (d) to provide for the expenditure of funds in the state employees' insurance administrative account, subject to legislative appropriation, to pay salaries and wages and other necessary administrative expenses.

(2) The director of the department of personnel shall be trustee and administrator of all health benefit and insurance contracts.

He shall transmit contributions for health care and other insurance plans in payment of premiums and transfers to the state employees' insurance administrative account for operating and administrative costs of the board and the benefits supervisor, and receive and deposit contributions and dividends or refunds into the state employees' insurance ~~((revolving fund))~~ principal account. He shall provide facilities and services necessary for the purpose of the board and its operations, subject to full reimbursement by the board for the cost thereof to be paid out of the state employees' insurance administrative account.

(3) Every division, department, or separate agency of state government shall fully cooperate in administration of the plans, education of employees, claims administration, and other duties as required by the trustee or the board.

NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

There is hereby created the state employees' insurance administrative account in the state treasury. This account, subject to legislative appropriation, is to be used by the trustee to pay administrative expenses of the state employees' insurance board and the salaries, wages, and expenses of the benefits supervisor and other necessary personnel in accordance with RCW 41.05.030. Moneys from the state employees' insurance administrative account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the trustee. Notwithstanding RCW 43.84.090, all earnings of investments of balances in the state employees' insurance administrative account shall be credited to this account. Any excess of earnings of investments of balances credited to this account over administrative expenses

disbursed from this account shall be expended to the state employees' insurance principal account. Any deficiency in the state employees' insurance administrative account caused by an excess of administrative expenses disbursed from this account over earnings of investments of balances credited to this account shall be transferred to this account from the state employees' insurance principal account.

Sec. 3. Section 4, chapter 39, Laws of 1970 ex. sess. as last amended by section 901, chapter 312, Laws of 1986 and RCW 41.05.040 are each amended to read as follows:

There is hereby created (~~(a fund)~~) an account within the state treasury, designated as the (~~(a)~~)state employees' insurance (~~(fund)~~) principal account, to be used by the trustee (~~(as a revolving fund)~~) for the deposit of contributions, dividends and refunds, and for payment of premiums for employee insurance benefit contracts entered into in accordance with instructions of the board and payments to the state employees' insurance administrative account authorized by RCW 41.05.030(2). Moneys from the state employees' insurance (~~(fund)~~) principal account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the trustee. However, before June 30, 1987, the treasurer shall not disburse moneys from the (~~(fund)~~) account when the disbursement would result in a fund balance of less than \$11,597,000. Notwithstanding RCW 43.84.090, all earnings of investments of balances in the state employees' insurance (~~(fund)~~) principal account shall be credited to (~~(this fund)~~) the state employees' insurance administrative account.

Sec. 4. Section 9, chapter 2, Laws of 1983 as last amended by section 1, chapter 107, Laws of 1984 and RCW 41.05.050 are each amended to read as follows:

(1) Every department, division, or separate agency of state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the state employees' insurance board. Such contributions, which shall be paid by the county, the municipality, or other political subdivision for their employees, shall include an amount determined by the state (~~(employee's)~~) employees' insurance board to pay the administrative expenses of the board and the salaries and wages and expenses of the benefits supervisor and other necessary personnel: PROVIDED, That this administrative service charge for state employees shall not result in an employer contribution in excess of the amount authorized by the governor and the legislature as prescribed in RCW 41.05.050(2), and that the sum of an employee's insurance premiums and administrative service charge in excess of such employer contribution shall be paid by the employee. All such contributions will be paid into the state employees' insurance (~~(fund)~~) principal account to be expended in accordance with RCW 41.05.030.

(2) The contributions of any department, division, or separate agency of the state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall be set by the state employees' insurance board, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose: **PROVIDED**, That provision for school district personnel shall not be made under this chapter: **PROVIDED FURTHER**, That insurance and health care contributions for ferry employees shall be governed by RCW 47.64.270.

(3) The trustee with the assistance of the department of personnel shall survey private industry and public employers in the state of Washington to determine the average employer contribution for group insurance programs under the jurisdiction of the state employees' insurance board. Such survey shall be conducted during each even-numbered year but may be conducted more frequently. The survey shall be reported to the board for its use in setting the amount of the recommended employer contribution to the employee insurance benefit program covered by this chapter. The board shall transmit a recommendation for the amount of the employer contribution to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

Passed the House February 27, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 123

[House Bill No. 68]

IRRIGATION DISTRICT ELECTION POLLING PLACES

AN ACT Relating to irrigation district elections; and amending RCW 87.03.085.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 5, page 674, Laws of 1889-90 as amended by section 2, chapter 168, Laws of 1984 and RCW 87.03.085 are each amended to read as follows:

Fifteen days before any election held under this chapter, subsequent to the organization of any district, the secretary of the board of directors shall cause notices to be posted in three public places in each election precinct, of the time and place of holding the election(~~(, and)~~). The secretary shall also post a general notice of the same in the office of the board, which shall be established and kept at some fixed place to be determined by the board, specifying the polling places of each precinct. Prior to the time for posting the notices, the board must appoint for each precinct, from the electors thereof, one inspector and two judges, who shall constitute a board of election for the precinct. If the board fails to appoint a board of election, or the