



RESILIENCE

2020 ANNUAL REPORT

WASHINGTON STATE
TRANSIT INSURANCE POOL

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Resilience in the Face of Adversity

A MESSAGE FROM 2020 PRESIDENT OF THE BOARD, SHONDA SHIPMAN

Twenty-twenty started out as a year of possibility that quickly turned into a year of challenge. However, challenge gave us an opportunity for change and WSTIP seized that opportunity. A colleague recently shared these words from author Paulo Coelho: “When we least expect it, life sets us a challenge to test our courage and willingness to change; at such a moment, there is no point in pretending that nothing has happened or in saying that we are not yet ready. The challenge will not wait. Life does not look back.”

Little did we know when the new Executive Committee met for its retreat in January that our desire to plan for a three-year strategic plan would be so beneficial considering a pandemic. The retreat set the stage for what could be possible in 2020 and beyond. However, once challenged, we did not wait for things to get better to act. We adapted, we persevered and accomplished most of what we envisioned in January. There are four key areas I wish to highlight:

New Mission & Vision Statements

As times change, we are influenced, impacted and gain new perspectives. In 2020 these new perspectives led WSTIP to adopt new Mission and Vision statements. These are:

MISSION: To promote risk reduction with our partners.

VISION: To be the transformative and collaborative leader in transit safety and risk management.
Our destination. . . zero losses!

Bylaws & Policy Revisions

WSTIP regularly reviews its Bylaws, and annually reviews the governance policies. We do this to stay aware of our operational environment and to ensure appropriate governance policies are guiding WSTIP. In 2019, the Governance Policy Committee noted areas where our governance policies were starting to stretch the authority or guidance of the Bylaws. To correct this, we took on the challenge in 2020 of updating the Bylaws. Enacting change in the Bylaws is tedious work, done without much fanfare, requiring facilitative dialog and time for discussion. In a year where it might have been easier to not have Bylaws on the plate, I am grateful that so many people took a vested interest in getting the updated Bylaws to the finish line. We also revised 11 of our 34 policies and adopted four new policies. It felt like we ran a (virtual) policy and Bylaw marathon!

Strategic Plan

The Pool adopted a three-year Strategic Plan to establish priorities for the Board and Staff with goals and objectives that are both actionable and achievable over the years 2020-2022. The Strategic Plan focuses on five value areas to the Members:

- (1) Member Engagement, Retention and Satisfaction;
- (2) Risk and Loss Management;
- (3) Financial Stability, Coverage and Costs;
- (4) Innovation and Technology; and,
- (5) Value-Added Products and Services.

Staff provided action for the five strategies and activity immediately commenced in all areas.

Coverage Document Update


Besides the foundational documents above, we also polished off 2020 by revising the General Liability and Public Officials Liability Coverage Documents. We presented updates to the Property Coverage Document too, but those updates will not be implemented until 2021.

Continuity of Leadership

While many things changed in 2020, some things (fortunately) remained the same. WSTIP's Board of Directors approved a new contract for its Executive Director, Tracey Christianson, to ensure a continuity of leadership through December 31, 2023.

We concluded 2020 with a new mission and vision, revised Bylaws and governance policies, a three-year Strategic Plan, and continuity of our executive leadership.

I am grateful we had the courage and willingness to change and that we charted a course, undeviated by all that was happening around us. It is a testament to all that is ideal with Pooling. I am honored to have served as your Board President and I am grateful to the WSTIP Staff and fellow Board Members for their contributions to the Pool this year.

A landscape photograph showing a rocky hillside with a single, large, leafy tree standing prominently on the right. The sky is filled with soft, wispy clouds, and the sun is setting or rising, creating a warm, golden glow on the horizon. The foreground shows the texture of the rocks and some dry grass.

We were challenged
and tested but we did
not wait for things to
get better to act.

2020 Board of Directors

Asotin County PTBA

Jenny George, General Manager

Alt: Greg Gill, Operations Manager

Ben Franklin Transit

Rob Orvis, Interim Administrative Services Manager/Jeff Lubeck, Administrative Services Director

Alt: Jim Thoele, Safety and Security Manager

Central Transit

Josh Mattson, Assistant City Engineer/Betsy Dunbar, Transit Manager

Alt: Terry Weiner, City Attorney/Ryan Lyyski, Public Works and Utilities Director

Clallam Transit

Kevin Gallacci, General Manager

Alt: Dunyale Mason, Finance Manager

Columbia County Public Transportation

David Ocampo, General Manager

Alt: Steve Mertens, Finance Manager

Community Transit

Geri Beardsley, Director of Administration

Alt: Emmett Heath, Chief Executive Officer/SuziAnna Scheidegger, Accounting Supervisor

Alt: Don Burr, Risk Manager

C-Tran

Scott Deutsch, Manager of Safety & Risk

Alt: Laura Merry, Deputy Director of Human Resources

Everett Transit

Tom Hingson, Transportation and Transit Services Director

Alt: Michael Schmieder, Transit Operations

Program Manager

Alt: Chris Muth-Schulz, Risk Manager

Grant Transit

Brandy Heston, Administrative Services Manager

Alt: Greg Wright, General Manager

Grays Harbor Transit

Ken Mehin, General Manager

Alt: Jean Braaten, Finance Manager

Intercity Transit

Heather Stafford-Smith, Director of Administrative Services

Alt: Suzanne Coit, Finance Manager

Alt: Emily Bergkamp, Operations Director

Island Transit

Staci Jordan, Program Coordinator

Alt: Todd Morrow, Executive Director

Jefferson Transit

Sara Crouch, Finance Manager

Alt: Tammi Rubert, General Manager

Kitsap Transit

Paul Shinnors, Finance Director

Alt: Brian Rojo, Accounting Supervisor

Link Transit

Nick Covey, Finance Manager/Justin Brockwell, Data Analyst

Alt: Lynn Bourton, Administrative Services Manager/Shawn Larson, Safety Officer

Mason Transit

Danette Brannin, General Manager

Alt: LeeAnn McNulty, Administrative Services Manager

Pacific Transit

Richard Evans, Director

Alt: Audrey Olson, Operations/HR Supervisor

Pierce Transit

Amy Cleveland, Executive Director of Administration

Alt: Bill Kessler, Risk Manager

Alt: Brett Freshwaters, Executive Director of Finance

Alt: Tara Schaak, Employee Services Manager

Pullman Transit

Wayne Thompson, Transit Manager

Alt: Mike Urban, Finance Director

River Cities Transit

Amy Asher, Transit Manager

Alt: Tabitha Hayden, Transit Supervisor

Alt: Elizabeth Halili, Administrative Secretary

Skagit Transit

Joe Macdonald, Safety Supervisor

Alt: Dale O'Brien, Executive Director

Spokane Transit

Monique Liard, Director of Finance & Information Services

Alt: Nancy Williams, Director of Human Resources and Labor Relations

Alt: Mike Toole, Manager Safety and Security

Alt: E. Susan Meyers, Chief Executive Officer

Twin Transit

Joe Clark, General Manager

Alt: Aaron Rollins, Operations Manager

Valley Transit

Jesse Kinney, Deputy General Manager

Alt: Briana Malmquist, Human Resources Manager

Alt: Lowell Nee, Operations Supervisor

Whatcom Transportation Authority

Pete Stark, General Manager

Alt: Shonda Shipman, Director of Finance

Yakima Transit

Greg Story, Transit Assistant Manager

Alt: Scott Schafer, Public Works Director

The Year in Review

**A MESSAGE FROM EXECUTIVE
DIRECTOR, TRACEY CHRISTIANSON**

I agree with Shonda's sentiment that challenges rarely wait until one is ready. However, WSTIP was able to transcend the adversity posed by the pandemic because (1) we were (at least marginally) prepared, (2) we have a culture that supports and embraces change, and (3) we are adaptive to all kinds of risk.

Being Prepared

In 2019 WSTIP implemented a Business Continuity Plan (BCP) to prepare for interruptions of business operations. The BCP was tested in late 2019 and again early in 2020 before the pandemic began. Those early tests provided opportunity to adjust to a whole Staff working remotely. Our efforts paid off when the March 26 Stay Home and Stay Healthy order was issued by the Governor. Staff bravely ventured to their home offices, and there they have stayed, working remotely. Having some experience in working from a home office gave Staff an ability to quickly embrace the change and continue to focus on the Members and the business at hand.

Adaptations

WSTIP quickly learned during our first remote meetings that we needed to improve the remote environment for our Executive Committee and Board. We decided to move to Zoom for better video quality and easier recording options. Staff further leveraged this change and learned all kinds of tips and tricks to make the remote meeting environment a more pleasant experience. One such "trick" was to make more videos on Board topics for distribution

with the Board packet. The Board feedback was so overwhelmingly positive that by the end of 2020, the Board's former in-person work session was completely replaced by pre-recorded videos and live Q&A during the Board meeting.

Building on four surveys we completed in 2020, Staff moved up the timeline to select a new website platform. In record time, Staff selected a new vendor, created a new site, moved into it, and launched in December. Our revised website addressed the feedback we were given in the surveys by providing a robust search engine for the entire site, and a special search function for the ASK Transit service.

Still Addressing Risk

Along with topics presented from the pandemic, Staff addressed risk by implementing significant changes to our training programs and updating one Best Practice:

OPERATOR DEVELOPMENT COURSE

Staff continued with updating the Operator Development Course: Fixed Route Edition while safely navigating the challenges of producing (filming and editing) content in the continued evolution of the pandemic. The Operator Development Course: Fixed Route Edition was delivered to the Members in June and work started in July for updating the Operator Development Course: Paratransit/ Demand Response Edition. The Paratransit Edition met with



Helping all our Members navigate the changes to their service, figuring out how protect the public as well as their employees, and living the same crisis at the same time has been a rewarding experience not yet over and not soon forgotten.

unfortunate delays (due to the pandemic) and its final production was delayed until 2021.

ONLINE REFRESHER TRAINING PROGRAM FOR VANPOOL DRIVERS

We were not as fortunate in our plans to update the online refresher training for vanpool drivers. Although we were able to work with our vanpool coordinators on the content, we were delayed in updating the content from the vendor side. However, momentum did start at the end of 2020 and we are confident this product will be available in early 2021.

WSTIP'S OWN TRAINING GOES REMOTE

Many in-person training programs were cancelled due to the pandemic. Even though in-person training was not an option, Staff adapted by transitioning training to remote learning. Staff converted a conference room to a new production studio for long-distance learning. Staff provided 35 trainings, 10 of which were Reasonable Suspicion (Drug and Alcohol) Training for Supervisors, to the WSTIP membership using our new studio and/or Zoom.

BEST PRACTICE

Reduction in Force – Staff worked with the Summit Law Group to update their 2010 work on the topic of Reduction in Force. The new Best Practice was distributed in April.

Claims Management

A bright spot for 2020 was a significant reduction in claims activity. This allowed our claims Staff to focus energy on older open claims resulting in all claims/litigation prior to 2014 to close. The Staff settled 369 claims, denied 136 claims, and closed 288 subrogation claims with \$925,538 in subrogation recoveries. However, there is a growing challenge for the claims Staff and that is the backlog of cases in the court system from the pandemic. Because of this backlog, Staff expect the number of litigated files to increase because older cases are not moving at the same pace through the court system.

Staff Changes

In May, Matthew Branson, in cooperation with our contract CPA and with the assistance of Accounting and Payroll Specialist, Karey Thornton, took over WSTIP's financial management. The team adopted a new financial system, moved from QuickBooks Enterprise to QuickBooks Online, revised monthly and quarterly financial reporting, completed our banking transition to the Thurston County Treasurer's Office, and selected a new payroll

and timekeeping system (payroll/timekeeping to be implemented January 1, 2021).

At the beginning of December, we said good-bye to long-time employee Andrea Powell. Andrea worked at WSTIP for close to 13 years, providing services in IT, finance, and administration. We wish her well in her future endeavors.

Resilience in the Face of Adversity

It has been a heck of a year, and one I am more than willing to place in our rear-view mirror. However, I know I can speak for the entire Staff when I say how proud we are to be part of the transit family. Helping all our Members navigate the changes to their service, figuring out how to protect the public as well as their employees, and living the same crisis at the same time has been a rewarding experience not yet over and not soon forgotten.

I am so thankful for my awesome, amazing, I can't say enough good things about, Staff. They continue to make it possible for us to serve the Members even as we collectively navigate the hardships of this pandemic. I so appreciate the support WSTIP has from our Members who continually embody the WSTIP Core Value of Ownership: We're all in this together. And lastly, I am thankful to have a Board that is invested in being transformative and collaborative as such values, clearly exercised with regularity in 2020, will be even more important in our future.

2020 Staff Members

TRACEY CHRISTIANSON, EXECUTIVE DIRECTOR
Responsible for oversight of all operations, purchasing, and placement of insurance, and Board relations.

MATTHEW BRANSON, MEMBER SERVICES MANAGER
Responsible for Member communications, loss prevention programs and training, manages best practice compliance and updates and the driver record monitoring program.

CEDRIC ADAMS, CLAIMS MANAGER
Coordinates the management of claims and lawsuits incurred by WSTIP Members. Supervises the claims staff and manages independent adjusters, litigation managers, and attorneys assigned to WSTIP files.

ANDREA POWELL, ADMINISTRATIVE SERVICES MANAGER
Responsible for finance, facilities and technical services. Manages administrative services in regard to budget, purchasing, and vendor contracting. Also serves as WSTIP's Public Records Officer and WSTIP's Audit Liaison to the state auditor.

ANNA BROADHEAD, BOARD RELATIONS
Serves as the Clerk of the Board, provides overall administrative support to staff, and accomplishes special projects for Members and staff.

KAREY THORNTON, ACCOUNTING & PAYROLL SPECIALIST
Responsible for payroll, accounts receivable, accounts payable, prepares financial documents, helps coordinate the annual budget, underwriting, and provides administrative support to Administrative Services Manager.

LAURA JUELL, RISK AND TRAINING COORDINATOR
Provides administrative support for Transit Risk Consultant and Serious Loss Analysis Team. Coordinates registration, set up, and facilitation of WSTIP training activities and provides backup to Finance Specialist.

CHRISTIAN DEVOLL, TRANSIT RISK CONSULTANT
Conducts loss prevention reviews by meeting with Members, reviewing operations, and making recommendations for compliance with Best Practices and state and federal regulations.

BRANDY RHODES, ADMINISTRATIVE ASSISTANT
Coordinates facilities maintenance and Wellness Committee events; provides administrative support services for WSTIP training activities, the claims department and assists the Public Records Officer. Performs general support for all staff.

ROBYN GALINDO, CLAIMS SPECIALIST
Performs support functions for the claims department including auditing and monitoring the database and claim files, assists with data-entry of initial claims, managing and maintaining diaries from multiple claims.

JOEL LAMBERT, CLAIMS ASSOCIATE
Responsible for administering the various auto liability, un/underinsured motorist, medical-pay, and auto physical damage claims, as well as adjusting the same. Recovers damages, on behalf of the Members, from other parties incurred during auto accidents (aka subrogation).

CHRISTINE ROUSE, APPLICATION SUPPORT SPECIALIST
Provides Origami Risk system support to Members including the development of customized Member solutions. Supports staff including help desk related tasks.

Service Providers

BROKER SERVICES: Alliant Insurance Services, Newport Beach, CA

GENERAL COUNSEL: Law Office of Richard L. Hughes, Lacey, WA

ACTUARIAL SERVICES: PricewaterhouseCoopers, Seattle, WA

ACCOUNTING SERVICES: StraderHallett, PS, Lacey, WA

TREASURY SERVICES: Thurston County Treasurer, Olympia, WA

2020 Awards

Safety Stars Award

WSTIP recognizes the long-term dedication and commitment to safety with the annual Safety Stars awards. This award recognizes Members that maintain impressive and stable safety records in each WSTIP rating category (large, medium, and small). Winners of this award are consistently good performers in terms of auto liability losses to the organization. Each winner receives a monetary award to utilize for employee recognition. The 2020 winners are based on claims data for 2015-2019:

Community Transit

Grant Transit Authority

Columbia County Public Transportation

Above & Beyond Award

WSTIP recognizes individual employees that go Above & Beyond their expressed job responsibilities during a significant event, demonstrating courage and heroism, or other extraordinary acts deserving recognition, resulting in a saved life or lives, and/or minimizing the impact of a loss to the agency or the public. Award winners each receive \$250.

There were no awards in 2020.

Jeffrey S. Ristau Continuing Education Scholarship Fund

The WSTIP Board established a scholarship program in 2014 to honor founding and longtime Board Member Jeffrey S. Ristau for his years of dedicated service. In 2020, WSTIP awarded a combined total of \$9,000 in scholarships to the following individuals:

John Bender, Jefferson Transit Authority

Agustin Ortega, Everett Transit

Moges Girmay, Community Transit

Susan Dickinson, Whatcom Transportation Authority

Cara Brocx, Community Transit

Melissa Lang-Stewart, Link Transit

SuziAnna Scheidegger, Community Transit

Jessica Bennett, Link Transit

Usame Dahir, Pierce Transit

Brandy Rhodes, WSTIP

These scholarships are available to WSTIP-Member employees pursuing education and training that furthers the vision, mission, ethical practices, safety and/or reduction of the cost of risk for public transportation in Washington State.

Driver Recognition Awards

Vehicle accidents represent the greatest risk to the transit agencies and WSTIP. As such, for every year a driver is accident-free, the savings to the transit agency and to WSTIP are substantial. Through the Driver Recognition Program WSTIP recognizes drivers for their 20 or more years of consecutive and/or cumulative accident-free years of driving transit. In 2020, WSTIP awarded \$5,650 recognizing a total of 30 employees from Intercity Transit, Mason Transit Authority, Pierce Transit and Whatcom Transportation Authority.

2020 Coverages

WSTIP LIABILITY COVERAGES

Coverages provided by WSTIP are a combination of self-insurance, coverage purchased from a captive insurance pool, and commercial market insurance. The following shows the amount of coverage available to WSTIP Members including all layers. Some Members purchase umbrella coverage above the limits listed in this table.

General Liability	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Bodily Injury & Property Damage	No deductible	\$2 million	\$25 million
Personal Injury & Advertising Injury	No deductible	\$2 million	\$25 million
Contractual Liability	No deductible	\$2 million	\$25 million
Vanpool Driver Medical Expense Protection	No deductible	\$35,000	None
Underinsured Motorist (UIM) ¹	No deductible	\$60,000	None
Permissive Use of a Member-Owned Motor Vehicle	No deductible	\$100,000 per occurrence ²	None
Public Officials Errors and Omissions	\$5,000	\$2 million	\$25 million
Employment Practice Liability	\$5,000	\$2 million	\$25 million
Crime/Blanket Employee Dishonesty	\$10,000	None	\$1 million

[1] UIM is mandatory for all vanpool programs, but the Member may elect to purchase UIM on other modes.

[2] \$100K per occurrence for property damage, \$300K per occurrence for bodily injury

Property³	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Building and Contents	Varies by Member ⁵	\$250,000	\$500 million
Boiler and Machinery	Varies by unit size ⁴	None	\$100 million
Auto Physical Damage (APD)			
Vehicles valued at or below \$250,000 or more than 10 years old	Varies by Member ⁵	\$250,000	Fair market value, up to \$250,000 per vehicle
Vehicles valued over \$250,000 and fewer than 10 years old	Varies by Member ⁵	\$250,000	Replacement Cost, up to \$1.35 million per vehicle
Flood⁶			
Flood Zones A&V	\$500,000	\$250,000	\$10 million
Flood Zones except A&V	\$500,000	\$250,000	\$50 million
Earthquake	5% subject to \$500,000 minimum per occurrence per unit	None	\$25 million
Combined Business Interruption, Rental Income, and Tuition Income	Varies by Member ⁵	\$250,000	\$100 million

[3] Central Transit, Everett Transit and Pullman Transit do not purchase property coverage through WSTIP.

[4] Boiler & Machinery deductible: \$250,000,000 for units under 750hp, 25,000 KW/KVA/Amp, or Boilers over

[5] Members may select a higher deductible for property and auto physical damage. Deductibles for 2020 were:

C-Tran \$10,000; Pierce Transit and Spokane Transit \$25,000; all other Members \$5,000.

[6] Annual Aggregate

Cyber Liability & First Party Computer Security⁷	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Cyber Liability and First Party Computer Security	\$5,000	None	\$25 million**, \$2 million*
Breach Response Costs	\$5,000	None	\$500,000*
First Party Loss			
Business Interruption			
Security Breach	\$5,000	None	\$2 million*
Dependent Business Loss Resulting from Security Breach	\$5,000	None	\$750,000*
System Failure	\$5,000	None	\$500,000*
Dependent Business Loss Resulting from System Failure	\$5,000	None	\$100,000*
Cyber Extortion Loss	\$5,000	None	\$2 million*
Data Recovery Costs	\$5,000	None	\$2 million*
Liability			
Data & Network Liability	\$5,000	None	\$2 million*
Regulatory Defense and Penalties	\$5,000	None	\$2 million*
Payment Card Liabilities & Costs	\$5,000	None	\$2 million*
Media Liability	\$5,000	None	\$2 million*
eCrime			
Fraudulent Instruction	\$5,000	None	\$75,000*
Funds Transfer Fraud	\$5,000	None	\$75,000*
Telephone Fraud	\$5,000	None	\$75,000*
Criminal Reward	\$5,000	None	\$25,000*
Consequential Reputational Loss	\$5,000	None	\$50,000*
Computer Hardware Replacement Costs	\$5,000	None	\$75,000*
Invoice Manipulation	\$5,000	None	\$100,000*

[7] Central Transit, Everett Transit, Pullman Transit, and Yakima Transit do not purchase Cyber Liability/First Party Computer Security

* per Member aggregate

** the \$25M applies to all insureds that purchase the policy

Excess Insurance Contracts/Reinsurance

COVERAGE	CARRIER	LAYER
Liability	GEM Re	\$3 million in excess of \$2 million
	Munich Re	\$10 million in excess of \$5 million
	Hallmark Insurance Company	\$5 million in excess of \$15 million
	Allied World Assurance Co.	\$5 million in excess of \$20 million
Crime	National Union Fire	\$1 million
Blanket Pollution	Beazley Eclipse	\$1 million
Underground Storage Tank (UST)	Great American	\$1 million per storage tank incident
		\$1 million aggregate per location
All Risk Property	Alliant Public Entity Property Program (APIP)	\$500 million per occurrence for all Members combined with various sublimits
Auto Physical Damage	Evanston	Fair Market Value for vehicles valued at or below \$250,000 or more than 10 years old
		Replacement Cost for vehicles valued over \$250,000 and fewer than 10 years old
Cyber Liability	Beazley	\$25 million aggregate for all Beazley insureds
		\$25 million aggregate per Member

Three-Year Comparative Summary

	As of December 31		
	2020	2019	2018
ASSETS			
Current Assets	\$55,462,326	\$41,263,876	\$28,670,698
Capital Assets, Net	425,588	473,811	473,605
Noncurrent Assets	7,024,243	11,976,257	16,413,255
TOTAL ASSETS	\$62,912,157	\$53,713,944	\$45,557,558
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	91,863	83,724	80,361
Deferred Outflows - OPEB	1,382	-	-
TOTAL DEFERRED OUTFLOWS	\$93,245	\$83,724	\$80,361
TOTAL ASSETS & DEFERRED OUTFLOWS	\$63,005,402	\$53,797,668	\$45,637,919
LIABILITIES			
Current Liabilities	\$ 7,353,921	\$8,047,571	\$8,234,826
Noncurrent Liabilities	19,823,494	12,658,690	13,094,075
TOTAL LIABILITIES	\$27,177,416	\$20,706,261	\$21,328,901
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	106,100	221,243	198,738
TOTAL LIABILITIES & DEFERRED INFLOWS	\$27,283,516	\$20,927,504	\$21,527,639
NET POSITION			
Investment in Capital Assets, Net	425,588	473,811	473,605
Unrestricted Net Position	35,296,298	32,396,353	23,636,675
TOTAL NET POSITION	\$35,721,886	\$32,870,164	\$24,110,280
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$63,005,402	\$53,797,668	\$45,637,919

*At the time of publishing, 2020 financial statements had not been audited.

For the years ended December 31

	2020	2019	2018
OPERATING REVENUES			
Member Assessments (All Types)	\$15,422,586	\$17,117,113	\$15,116,159
Other Operating Revenues	87,452	217,588	530,113
TOTAL OPERATING REVENUES	\$15,510,038	\$17,334,701	\$15,646,272
OPERATING EXPENSES			
Claims & Loss Adjustments	7,218,651	4,447,418	9,146,284
Insurance Services	3,703,765	2,910,591	2,324,298
General & Administrative	2,967,660	2,751,930	3,316,281
TOTAL OPERATING EXPENSES	\$13,890,076	\$10,109,939	\$14,786,863
TOTAL OPERATING INCOME	\$1,619,962	\$7,224,762	\$859,409
OTHER INCOME (EXPENSE)			
Interest Income	\$1,231,761	\$1,039,514	\$ 815,808
Change in Equity in GEMRe	-	495,608	162,622
TOTAL OTHER INCOME (EXPENSE)	\$1,231,761	\$1,535,122	\$978,430
TOTAL CHANGE IN NET POSITION	\$2,851,722	\$8,759,884	\$1,837,839

*At the time of publishing, 2020 financial statements had not been audited.

Comparative Statement of Net Position

As of December 31

	2020	2019		2020	2019
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Deposits and Investments	\$54,477,245	\$40,539,335	Accounts Payable	\$138,058	\$56,927
Accounts Receivable	28,410	7,589	Compensated Absences	154,513	99,660
Interest Receivable	87,937	23,497	Unearned Revenues	146,586	123,905
Prepaid Insurance	823,299	676,689	Unpaid Claims Liability	6,912,000	7,764,007
Prepaid Expense	45,435	16,766	OPEB Liability	2,764	3,072
TOTAL CURRENT ASSETS	\$55,462,326	\$41,263,876	TOTAL CURRENT LIABILITIES	\$7,353,921	\$8,047,571
NONCURRENT ASSETS			NONCURRENT LIABILITIES		
Capital Assets, Net	425,588	473,811	Compensated Absences	21,543	9,916
Long-Term Investments	4,978,775	9,930,717	Due to Risk Pool Leadership Development Program	1,458	1,530
Equity in Government Entity Mutual	2,044,010	2,044,010	Due to Members	3,782,992	-
Deposits Held For Risk Pool Leadership Development Program	1,458	1,530	Unpaid Claims Liability - Reserves	6,202,347	3,327,431
TOTAL NONCURRENT ASSETS	\$7,449,831	\$12,450,068	Unpaid Claims Liability - IBNR	8,057,784	7,903,820
TOTAL ASSETS	\$62,912,157	\$53,713,944	Unpaid Claims Liability - ULAE	844,000	734,000
DEFERRED OUTFLOWS OF RESOURCES			OPEB Liability	571,944	355,879
Deferred Outflows - Pension	91,863	83,724	Net Pension Liability	341,426	326,114
Deferred Outflows - OPEB	1,382	-	TOTAL LONG-TERM LIABILITIES	\$19,823,494	\$12,658,690
TOTAL DEFERRED OUTFLOWS	\$93,245	\$83,724	TOTAL LIABILITIES	\$27,177,416	\$20,706,261
TOTAL ASSETS & DEFERRED OUTFLOWS	\$63,005,402	\$53,797,668	DEFERRED INFLOWS OF RESOURCES		
			Deferred Inflows - Pension	106,100	221,243
			TOTAL LIABILITIES & DEFERRED INFLOWS	\$27,283,516	\$20,927,504
			NET POSITION		
			Investment in Capital Assets	425,588	473,811
			Unrestricted Building Reserve	29,166	4,166
			Unrestricted Technology Grant Reserve	424,468	179,093
			Unrestricted Net Position	34,842,664	32,213,094
			TOTAL NET POSITION	\$35,721,886	\$32,870,164
			TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$63,005,402	\$53,797,668

*At the time of publishing, 2020 financial statements had not been audited.

Comparative Statement of Revenues, Expenses and Changes in Net Position

As of December 31, 2020

	For the years ended December 31	
	2020	2019
OPERATING REVENUES		
Member Assessments	\$18,407,525	\$16,654,015
Other Insurance Products	896,258	814,451
Prior Period Assessment Audit (PPAA)	(3,881,197)	(351,353)
Other Operating Revenues	87,452	217,588
TOTAL OPERATING REVENUES	\$15,510,038	\$17,334,701
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,218,651	\$4,447,418
Purchased Insurance - Liability	1,893,472	1,439,376
Purchased Insurance - Property	1,358,092	1,039,398
Other Insurance Products	452,200	431,817
Payroll & Benefits	1,717,732	1,152,457
Contracted Services	494,289	442,159
Risk & Loss Prevention	219,645	252,168
Training & Education	43,390	159,885
Technical & Subscription Services	281,025	295,776
General & Administrative	156,845	428,858
Depreciation	27,550	20,627
Capital Asset Audit Adjustment Expense	27,183	-
TOTAL OPERATING EXPENSES	\$13,890,076	\$10,109,939
TOTAL OPERATING INCOME	\$1,619,962	\$7,224,762
OTHER INCOME (EXPENSE)		
Interest Income	\$1,231,761	\$1,039,514
Change in Equity in GEM	-	495,608
TOTAL OTHER INCOME (EXPENSE)	\$ 1,231,761	\$ 1,535,122
TOTAL CHANGE IN NET POSITION	\$ 2,851,722	\$ 8,759,884

*At the time of publishing, 2020 financial statements had not been audited.

Comparative Statement of Cash Flows

As of December 31, 2020

	For the years ended December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Member assessments	\$19,225,684	\$17,122,463
Cash from Members and others	101,565	198,045
Cash paid for claims	(4,931,778)	(4,453,910)
Cash paid for excess/reinsurance	(3,573,685)	(2,699,243)
Cash paid for employee wages and benefits	(1,504,092)	(1,412,623)
Cash paid for contracted services	(440,912)	(386,634)
Cash paid for general and administrative expenses	(1,116,065)	(1,783,181)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$7,760,717	\$6,584,917
CASH FLOWS FROM CAPITAL ACTIVITIES		
Cash paid to acquire or improve capital assets	(6,510)	(20,834)
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	\$(6,510)	\$(20,834)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from maturing securities	\$5,000,000	\$5,000,000
Cash from interest on investments	1,183,703	971,859
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$6,183,703	\$5,971,859
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$13,937,910	\$12,535,942
BALANCES - BEGINNING OF THE YEAR	\$40,539,335	\$28,003,393
BALANCES - ENDING OF THE YEAR	\$54,477,245	\$40,539,335

*At the time of publishing, 2020 financial statements had not been audited.

Department of Enterprise Services Schedule of Expenses

For the years ended December 31

	2020	2019
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,218,651	\$4,447,418
Insurance Services		
Purchased Insurance - Liability	\$1,893,472	\$1,439,376
Purchases Insurance - Property	1,358,092	1,039,398
Other Insurance Products	452,200	431,817
TOTAL INSURANCE SERVICES	\$3,703,765	\$2,910,591
CONTRACTED SERVICES		
Actuarial	\$82,750	\$82,900
Audit Expenses	11,197	13,013
Brokerage Fees	109,950	101,200
Legal Fees	109,460	78,037
State Risk Manager	11,720	11,720
Accounting Services	31,743	38,368
IT Services	88,807	70,929
Other Consultant Fees	48,663	45,992
TOTAL CONTRACTED SERVICES	\$494,289	\$442,159
GENERAL & ADMINISTRATIVE EXPENSES		
Payroll & Benefits	\$1,717,732	\$1,152,457
Risk & Loss Prevention	219,645	252,168
Training & Education	43,390	159,885
Technical & Subscription Services	281,025	295,776
Board Expenses	40,426	169,262
Staff Travel & Professional Development	29,289	93,222
Occupancy	95,063	93,919
Administrative	(7,933)	72,454
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$2,418,637	\$2,289,144
DEPRECIATION	\$27,550	\$20,627
CAPITAL ASSET AUDIT ADJUSTMENT EXPENSE	\$27,183	-
TOTAL OPERATING EXPENSES	\$13,890,076	\$10,109,939

*At the time of publishing, 2020 financial statements had not been audited.

Claims Development Information

For the years ended December 31

The table on the next page illustrates how WSTIP's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by WSTIP as of the end of each of the last ten years. The table of rows are defined as follows:

1. This line shows the total of each fiscal year's earned contribution revenues and investment revenues.
2. This line shows each fiscal year's other operating costs of WSTIP including overhead and claims expenses not allocated to individual claims.
3. This line shows WSTIP's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). The *incurred* (accrued) portion shown represents the combination of unpaid claims liability—reserves and unpaid claims liability—IBNR. The *ceded* portion includes excess insurance premiums, ceded incurred loss and ceded IBNR loss reserves.
4. This section shows the cumulative amounts paid as of the end of successive years for each policy year.
5. This section shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.
7. This line shows the increase (decrease) in estimated net incurred claims and expenses for end of the policy year.

Columns of the table show data for successive policy years.

Fiscal and Policy Year Ended (in Thousands of Dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Member contribution and investment revenues										
Gross	11,217	10,933	11,439	11,785	12,521	13,198	14,779	15,932	17,842	16,437
Ceded	1,793	1,904	2,166	2,206	1,999	2,150	2,215	2,324	2,573	3,252
Net earned	9,424	9,029	9,273	9,579	10,522	11,048	12,564	13,608	15,269	13,185
2. Unallocated operating expenses										
	2,272	2,223	2,433	2,500	3,058	3,142	2,735	2,781	2,983	2,880
3. Estimated losses & expenses end of policy year										
Incurred	5,727	4,994	5,470	7,047	5,764	5,395	8,106	9,068	8,998	5,969
Ceded	4,411	180	202	408	521	547	361	837	788	804
Net Incurred	1,316	4,814	5,268	6,639	5,243	4,848	7,745	8,231	8,210	5,165

* At policy year end 2010 our actuary started calculating estimated ceded ultimate loss.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
4. Paid (cumulative) as of:										
End of policy year	1,077	927	1,075	983	1,086	805	1,870	1,115	1,097	773
One year later	2,774	1,828	2,172	2,050	2,270	2,056	2,819	2,808	2,633	
Two years later	3,744	2,692	3,141	3,815	4,814	3,231	3,344	3,805		
Three years later	4,910	4,348	3,827	5,730	5,662	3,878	4,235			
Four years later	7,000	4,855	4,951	5,993	6,267	4,105				
Five years later	7,087	4,906	6,191	6,020	6,644					
Six years later	7,494	4,924	6,278	6,023						
Seven years later	7,589	4,912	6,350							
Eight years later	7,580	4,910								
Nine years later	7,580									
5. Re-estimated ceded losses & expenses	8,779	1,237	58	3,120	815	58	160	522	692	
6. Re-estimated net incurred claims and expenses:										
End of policy year	5,727	4,994	5,470	7,047	5,764	5,395	8,106	9,068	4,806	
One year later	6,783	4,320	5,052	7,640	5,735	6,214	6,605	8,337	10,215	
Two years later	8,144	4,755	5,448	7,340	7,320	5,668	6,170	8,794		
Three years later	9,075	4,858	6,220	6,470	9,868	4,691	6,603			
Four years later	8,473	4,976	6,918	6,262	7,725	4,286				
Five years later	8,295	5,065	6,753	6,145	7,444					
Six years later	7,671	5,000	6,222	6,062						
Seven years later	7,589	4,912	6,368							
Eight years later	7,580	4,910								
Nine years later	7,580									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year	6,264	96	1,100	(577)	2,201	(562)	(1,142)	563	2,005	(5,165)



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