

WASHINGTON STATE TRANSIT INSURANCE POOL

**READY FOR THE  
FUTURE**

**2021 ANNUAL REPORT**

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# FUTURE READY

## A MESSAGE FROM 2020 PRESIDENT OF THE BOARD, DANETTE ROGERS

AS 2020 CAME TO A CLOSE I reflected on the challenges we endured with my thoughts towards the future being very much impacted by the global pandemic. I believe in an empowered mindset where the future is what we make of it, or at least it is influenced by the intentional decisions we make to form a better tomorrow. For many of us, 2021 was a year we personally and professionally evaluated priorities. At WSTIP, it was a year of intentional decisions and action. A year we became more future ready.

### MAKING LEMONADE

Like most organizations, prior to the pandemic we met and interacted in person. In 2020, our meetings switched from meeting in person to meeting virtually. We struggled but we endured. In 2021, we adapted and started to conduct our governance meetings in a hybrid format with both in-person and virtual attendees. To our pleasant surprise we had more participation in our governance meetings than any prior year. In part because all Board Members were able to participate in ways they hadn't previously as travel was no longer

an obstacle. These hybrid meetings weren't without their challenges, but they affirmed the old saying when life gives you lemons, you make lemonade. As we moved forward, we have started to make permanent some aspects of the changed environment we know today.

### FINANCIAL STABILITY

As Board and Pool Members, we are deeply committed to the long-term financial stability of WSTIP. Prior to 2020 we regularly reviewed financial adequacy and measured performance to our adopted targets. We had no reason to question whether our financial goals were lacking. Indeed, for many years we had goals that were beyond Pooling norms. That said, a global pandemic has a way of changing assumptions and challenging the way one feels about their assumptions. In 2021 we engaged in a purposeful review of WSTIP's financial targets. This review resulted in us adopting new, more robust capital funding adequacy targets, to further strengthen WSTIP's ability to help its Members withstand financial adversity now and into the future.



**As Board and Pool Members, we are deeply committed to the long-term financial stability of WSTIP.**

### **SUCCESSION READINESS**

We are also deeply committed to the viability of WSTIP as an organization. Employers the world over are struggling with a workforce that is shrinking due either to individual choice or impacts of the pandemic. To prepare for the future, the WSTIP Board made succession planning and knowledge transfer an important part of the Executive Director's goals for 2021 to 2023. These goals include objectives related not only to the development and succession readiness of staff but also to supporting transitions within the Board of Directors as Member agencies have turnover in these assignments.

With all that we have endured these last two years I am profoundly grateful to the Pool, its Members, my fellow Board Members and to WSTIP staff. I am honored to have served as your Board President. We have rallied together and have been a source of strength to each other. A heartfelt *Thank You* to all for the support you provided me this year. Additional adversity will come (after all we plan for a worst-case scenario of 1-200 years). I am grateful that day is not this day, but I believe we are future ready.

# 2021 BOARD OF DIRECTORS

## **Asotin County PTBA**

Jenny George, General Manager  
*Alt:* Greg Gill, Operations Manager

## **Ben Franklin Transit**

Jeff Lubeck, Financial Services Director  
*Alt:* Jim Thoelke, Safety and Security Manager

## **Central Transit**

Betsy Dunbar, Transit Manager  
*Alt:* Ryan Lyyski, Public Works & Utilities Director

## **Clallam Transit**

Kevin Gallacci, General Manager  
*Alt:* Dunya Mason, Finance Manager

## **Columbia County Public Transportation**

David Ocampo, General Manager  
*Alt:* Steve Mertens, Finance Manager

## **Community Transit**

Geri Beardsley, Director of Administration  
SuziAnna Scheidegger, Accounting Supervisor  
*Alt:* Don Burr, Manager of Safety, Security & Compliance

## **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 Berkamp, 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/  
Mary Pauly, Human Resources Director

## **Link Transit**

Justin Brockwell, Data Analyst  
*Alt:* Shawn Larson, Safety Officer

## **Mason Transit**

Danette Brannin/Amy Asher, General Manager  
*Alt:* LeeAnn McNulty, Finance Manager

## **Pacific Transit**

Michael Wagner, Director  
*Alt:* Audrey Olson, Operations/HR Supervisor

## **Pierce Transit**

Amy Cleveland, Executive Director of Administration  
*Alt:* Danette Rogers, Finance Manager  
*Alt:* Bill Kessler/Karen Thesing, Risk Manager  
*Alt:* Brett Freshwaters, Executive Director of Finance  
*Alt:* Tara Schaak, Employee Services Manager

## **Pullman Transit**

Wayne Thompson, Transit Manager  
*Alt:* Mike Urban/Jonna Davis, Finance & Administrative Services Director

## **River Cities Transit**

Amy Asher/Jim Seeks, 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, Chief Financial Officer  
*Alt:* Nancy Williams, Director of Human Resources and Labor Relations  
*Alt:* Mike Toole, Manager Safety and Security  
*Alt:* E. Susan Meyers, Chief Executive Officer

## **Valley Transit**

Jesse Kinney, Deputy General Manager  
*Alt:* Briana Malmquist, Human Resources Manager  
*Alt:* Lowell Nee, Operations Supervisor

## **Whatcom Transportation Authority**

Les Reardanz, 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

ONE OF WSTIP'S PRIMARY OBJECTIVES is to provide financial stability, even in times of uncertainty. To bend, but not break. We have collectively endured many challenges these past couple of years. As an organization, WSTIP persevered due to the thoughtful and intentional actions of our Members who consistently fund the Pool to withstand financial adversity, and the honest, hard work of the WSTIP staff.

### STAFF CHANGES IN 2021

In late 2020, the Board approved hiring a Deputy Director. We were fortunate to be able to promote Matthew Branson into that role on January 1. This left his former Member Services Manager position vacant. As luck would have it, we were able to woo Joanne Kerrigan to return to this position in early January. We lightly re-organized the staff, giving the finance, underwriting, administration, and IT responsibilities to the Finance Department led by the Deputy Director, and Origami Support for Members (Application Support Specialist) to Member Services, led by the Member Services Manager. Our staff numbers remain steady at 12.

### AGRIP ADVISORY STANDARDS – RECOGNITION ACHIEVED

WSTIP received recognition from the Association of Governmental Risk Pools (AGRiP) as meeting the Association's advisory standards for Risk Pools. To achieve recognition, the Pool must conduct a comprehensive self-evaluation of internal operations procedures against industry best practices. Special thanks to the WSTIP Secretary, Scott Deutsch, for reviewing and auditing the staff work. Once complete, the application is reviewed by a Committee of Pooling Peers, and it is up to that group on whether WSTIP makes the grade. The AGRiP best practices change almost every year, and it takes staff keeping an eye on the updates to make sure WSTIP stays in compliance. To maintain our compliance, we must conduct this review every three years. WSTIP has been recognized by AGRiP since 2005.



**As an organization, WSTIP persevered due to the thoughtful and intentional actions of our Members who consistently fund the Pool to withstand financial adversity, and the honest, hard work of the WSTIP staff.**

**COMPENSATION AND BENEFIT SURVEY**

WSTIP conducted a compensation and benefit survey in 2021, and the results showed that a few positions were significantly out of market. The Executive Committee and Board supported bringing those positions into market and our 2022 budget reflected that change. However, the Executive Committee instructed the staff to perform the next survey in two years vs. three years due to the fluctuations in the labor market. Therefore, the next survey will be done in 2023 for implementation in 2024.

**SUCCESSION READINESS**

One of my goals as the Executive Director is to have a succession ready staff. In 2021 I was able to identify knowledge silos for our work and assign primary and secondary people to those areas, leaning on the secondary folks much more so they can embrace and learn areas they are not used to being in. As part of the update for the salary survey, we also updated all the job descriptions to reflect primary and secondary roles for succession readiness purposes. This work will continue into 2022 (and maybe beyond), but if the pandemic taught us anything, it was to be ready for everything.

## **NEW MEMBER SERVICES**

We were so pleased to deliver the Paratransit Edition of the Operator Development Course, after production delays due to the pandemic delayed delivery. A new supplement was also developed, entitled Trainers Guide for Entry Level Driver Training Requirements distributed to our Members in 2022 to meet new regulations. WSTIP completed the purchase of a new learning management system for the membership and started working with individual members on how to best use the system. We are very excited about the LMS and the opportunities it brings to deliver training and for members to create, deliver and potentially share their own training.

## **MEMBER SERVICES: BEST PRACTICES, TRAINING, ASKS, AND SITE VISITS**

The Member Services Department also updated the following guidance: Best Practices for Rural and Urban Bus Zone and Boarding and Alighting; Best Practices for the Technology Environment, and Best Practice for Vanpool Operations. The department coordinated 30 training programs, 90 Transit ASKs, 17 TransACTION newsletters, 12 Charting Our Course newsletters, and nine Origami Roundup newsletters. Some Members welcomed WSTIP staff back to their property resulting in 26 on-site visits. WSTIP served as the contract manager for Pierce Transit's Automated Collision Avoidance and Mitigation Safety Research and Demonstration Project, funded by the FTA and local matches. The final report was completed in 2021 and delivered to the FTA in March 2022. The project goal was to research and facilitate development of collision avoidance warning systems/automated emergency braking (CAWS/AEB) for transit buses. The project team conducted research on five parallel tracks to address some

of the challenging issues facing transit agencies, bus original equipment manufacturers (OEMs), and technology developers seeking to bring collision avoidance technology to the transit bus industry.

## **TECHNOLOGY GRANTS AWARDED**

Three members received technology grants: Community Transit, Grays Harbor and Pierce Transit. A total of \$95,854 was awarded back to these three members for their projects. CT planned on implementing the behavior-based driving coaching system, Lytx Drive Cam; Grays Harbor attained the TrackIt! System that allows better ways to track events and incidents; and Pierce purchased a drone to help implement more specific types of training like space management and identification of potential claims hotspots.

## **CLAIMS MANAGEMENT**

The Claims Department happily closed all 2014 and 2015 claims and litigation, and only one 2016 claim remains open. Claims activity was reduced this year likely due to the pandemic impacting travel for the Members and fewer vehicles on the road. The department collected \$755,416 in subrogation. Litigation numbers are growing slightly due to the lack of movement in the courts (due to the pandemic). In closing, 2021 was still a bit of a challenge for the staff as it was for the Members. However, we see a great light on the horizon (I think it is the sun) and we are hopeful for the future of the transit industry and our own. Thank you so much to the WSTIP staff that collectively continue to do amazing things for the Members. And thank you to the WSTIP Members that work so hard to serve your respective communities. It is an honor to serve you.



# 2021 STAFF MEMBERS

## **TRACEY CHRISTIANSON, EXECUTIVE DIRECTOR**

Responsible for oversight of all operations, purchasing, and placement of insurance, and Board relations.

## **MATTHEW BRANSON, DEPUTY DIRECTOR**

Responsible for fiscal operations including accounting, budget, purchasing, vendor contracting, administrative and facilities matters. Responsible for data management, collection, and analysis for usage in underwriting, risk management and claims management.

## **CEDRIC ADAMS, CLAIMS MANAGER**

Responsible for 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.

## **JOANNE KERRIGAN, MEMBER SERVICES MANAGER**

Responsible for Member communications, loss prevention programs and training, manages Best Practice program compliance and updates.

## **ANNA BROADHEAD, BOARD RELATIONS**

Serves as the Clerk of the Board, Public Records Officer; supports underwriting efforts and maintains Member coverage documentation; provides overall administrative support to staff; 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 and provides administrative support to Deputy Director.

## **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 Accounting and Payroll 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 CLARK, ADMINISTRATIVE ASSISTANT**

Provides administrative support services for WSTIP training activities, the claims department and assists the Public Records Officer; Coordinates facilities maintenance and Wellness Committee events; 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:** StraderHallet, PS - Lacey, WA

# 2021 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 2021 winners are based on claims data for 2016-2020:

- **Community Transit**
- **Clallam Transit**
- **Columbia County Public Transportation**

## 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 2021, WSTIP awarded \$9,500 recognizing a total of 39 employees from C-Tran, Intercity Transit, Island Transit, Kitsap Transit, Link Transit, Pierce Transit, Skagit Transit, Spokane Transit Authority and Whatcom Transportation Authority.

## 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 two awards given out in 2021: one to Whatcom Transportation Authority and one to Clallam Transit totaling \$500.

## 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 2021, WSTIP awarded a combined total of \$6,000 in scholarships to the following individuals:

- **John Bender, Jefferson Transit Authority**
- **Agustin Ortega, Everett Transit**
- **Cara Brocx, Community Transit**
- **Whitney Davis, Skagit Transit**
- **Brandy Rhodes, WSTIP**
- **Laura Juell, 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.

# 2021 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.

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) <sup>1</sup>	No deductible	\$60,000	None
Permissive Use of a Member-Owned Motor Vehicle	No deductible	\$100,000 per occurrence <sup>2</sup>	None
Endorsement - Communicable Disease	No deductible	\$500,000	\$2 million
Public Officials Errors and Omissions	\$5,000	\$2 million	\$25 million
Endorsement-Violations of Wage & Hours Laws	\$25,000	\$250,000	None
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

Property <sup>3</sup>	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Building and Contents	Varies by Member <sup>3</sup>	\$250,000	\$500 million
Boiler and Machinery	Varies by unit size <sup>4</sup>	None	\$100 million
<b>Auto Physical Damage (APD)</b>			
Vehicles valued at or below \$250,000 or more than 10 years old	Varies by Member <sup>5</sup>	\$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 <sup>5</sup>	\$250,000	Replacement cost, up to \$1.5 million per vehicle
<b>Flood<sup>6</sup></b>			
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 <sup>5</sup>	\$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 5,000 square feet of heating surface; \$350,000,000 for units over above limits.

[5] Members may select a higher deductible for property and auto physical damage. Deductibles for 2021 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 Security <sup>7</sup>	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Cyber Liability and First Party Computer Security	\$5,000	None	\$40 million**, \$2 million*
Breach Response Costs	\$5,000	None	\$500,000*
<b>First Party Loss</b>			
<b>Business Interruption</b>			
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*
<b>Liability</b>			
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*
<b>eCrime</b>			
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	\$100,000*
Computer Hardware Replacement Costs	\$5,000	None	\$100,000*
Invoice Manipulation	\$5,000	None	\$100,000*
Cryptojacking	\$5,000	None	\$25,000*

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

\* per Member aggregate

\*\* the \$40M 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	\$5 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
		\$2 million aggregate per Member

WSTIP also offers a pollution liability policy (group purchase) through Beazley Eclipse and a group purchase underground storage tank liability program (group purchase) through Great American E&S Insurance Company.

# 2021 THREE-YEAR COMPARATIVE SUMMARY

As of December 31\*

	2021	2020	2019
<b>ASSETS</b>			
Current Assets	\$62,932,689	\$55,462,326	\$41,263,876
Capital Assets, Net	397,682	425,588	473,811
Noncurrent Assets	3,362,047	7,024,243	11,976,257
<b>TOTAL ASSETS</b>	<b>\$66,692,418</b>	<b>\$62,912,157</b>	<b>\$53,713,944</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pension	\$106,699	\$91,863	\$83,724
Deferred Outflows - OPEB	1,538	1,382	- 0
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$108,237</b>	<b>\$93,245</b>	<b>\$83,724</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$66,800,655</b>	<b>\$63,005,402</b>	<b>\$53,797,688</b>
<b>LIABILITIES</b>			
Current Liabilities	\$7,511,339	\$7,353,921	\$8,047,571
Noncurrent Liabilities	17,103,466	19,823,494	12,658,690
<b>TOTAL LIABILITIES</b>	<b>\$24,614,805</b>	<b>\$27,177,416</b>	<b>\$20,706,261</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Pension	\$900,911	\$106,100	\$221,243
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>\$25,515,716</b>	<b>\$27,283,516</b>	<b>\$20,927,504</b>
<b>NET POSITION</b>			
Investment in Capital Assets	\$ 397,682	\$425,588	\$473,811
Restricted Pension Asset	854,706	- 0	- 0
Unrestricted Net Position	40,032,551	35,296,298	32,396,353
<b>TOTAL NET POSITION</b>	<b>\$41,284,939</b>	<b>\$35,721,886</b>	<b>\$32,870,164</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>\$66,800,655</b>	<b>\$63,005,402</b>	<b>\$53,797,668</b>

\*At the time of publishing, 2021 financial statements had not been audited.

As of December 31\*

	2021	2020	2019
<b>OPERATING REVENUES</b>			
Member Assessments (All Types)	\$16,267,167	\$15,422,586	\$17,117,113
Other Operating Revenues	136,549	87,452	217,588
<b>TOTAL OPERATING REVENUES</b>	<b>\$16,403,716</b>	<b>\$15,510,038</b>	<b>\$17,334,701</b>
<b>OPERATING EXPENSES</b>			
Claims & Loss Adjustments	\$4,462,026	\$7,218,651	\$ 4,447,418
Insurance Services	4,081,510	3,703,765	2,910,591
General & Administrative	2,504,725	2,967,660	2,751,930
<b>TOTAL OPERATING EXPENSES</b>	<b>\$11,048,261</b>	<b>\$13,890,076</b>	<b>\$10,109,939</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$5,355,456</b>	<b>\$1,619,962</b>	<b>\$7,224,762</b>
<b>OTHER INCOME (EXPENSE)</b>			
Interest Income (Loss)	\$(252,024)	\$1,231,761	\$1,039,514
Change in Equity in GEMRe	459,620	- 0	495,608
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>\$207,596</b>	<b>\$1,231,761</b>	<b>\$1,535,122</b>
<b>TOTAL CHANGE IN NET POSITION</b>	<b>\$5,563,052</b>	<b>\$2,851,722</b>	<b>\$8,759,884</b>

\*At the time of publishing, 2021 financial statements had not been audited.



# COMPARATIVE STATEMENT OF NET POSITION

For the years ended December 31\*

As of December 31\*

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Deposits and Investments	\$59,487,800	\$54,477,245
Accounts Receivable	28,796	28,410
Interest Receivable	77,216	87,937
Prepaid Insurance	3,201,028	823,299
Prepaid Expense	137,849	45,435
<b>TOTAL CURRENT ASSETS</b>	<b>\$62,932,689</b>	<b>\$55,462,326</b>
<b>NONCURRENT ASSETS</b>		
Capital Assets, Net	\$397,682	\$425,588
Long-Term Investments	- 0	4,978,775
Equity in Government Entity Mutual	2,503,630	2,044,010
Deposits Held For Risk Pool Leadership	3,711	1,458
Net Pension Assets	854,706	- 0
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$3,759,729</b>	<b>\$7,449,831</b>
<b>TOTAL ASSETS</b>	<b>\$66,692,418</b>	<b>\$62,912,157</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension	\$106,699	\$91,863
Deferred Outflows - OPEB	1,538	1,382
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$108,237</b>	<b>\$93,245</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 66,800,655</b>	<b>\$63,005,402</b>

\*At the time of publishing, 2021 financial statements had not been audited.

	2021	2020
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$213,017	\$138,058
Compensated Absences	163,346	154,513
Unearned Revenues	900	146,586
Unpaid Claims Liability	7,131,000	6,912,000
OPEB Liability	3,076	2,764
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$7,511,339</b>	<b>\$7,353,921</b>
<b>NONCURRENT LIABILITIES</b>		
Compensated Absences	\$25,009	\$21,543
Due to Risk Pool Leadership Development Program	3,711	1,458
Due to Members	2,082,774	3,782,992
Unpaid Claims Liability - Reserves	5,922,723	6,202,347
Unpaid Claims Liability - IBNR	7,674,345	8,057,784
Unpaid Claims Liability - ULAE	860,000	844,000
OPEB Liability	453,277	571,944
Net Pension Liability	81,627	341,426
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$17,103,466</b>	<b>\$19,823,494</b>
<b>TOTAL LIABILITIES</b>	<b>\$24,614,805</b>	<b>\$27,177,416</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - Pension	\$900,911	\$106,100
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>\$ 25,515,716</b>	<b>\$27,283,516</b>
<b>NET POSITION</b>		
Investment in Capital Assets	\$397,682	\$425,588
Restricted Pension Asset	854,706	- 0
Unrestricted Building Reserve	54,166	29,166
Unrestricted Technology Grant Reserve	403,614	424,468
Unrestricted Net Position	39,574,771	34,842,664
<b>TOTAL NET POSITION</b>	<b>\$41,284,939</b>	<b>\$35,721,886</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>\$66,800,655</b>	<b>\$63,005,402</b>

# COMPARATIVE STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

For the years ended December 31\*

As of December 31\*

	2021	2020
<b>OPERATING REVENUES</b>		
Member Assessments	\$16,626,241	\$18,407,525
Other Insurance Products	896,893	896,258
Prior Period Assessment Audit (PPAA)	(1,255,966)	(3,881,197)
Other Operating Revenues	136,549	87,452
<b>TOTAL OPERATING REVENUES</b>	<b>\$16,403,716</b>	<b>\$15,510,038</b>
<b>OPERATING EXPENSES</b>		
Claims & Loss Adjustments	\$4,462,026	\$7,218,651
Purchased Insurance - Liability	1,894,102	1,893,472
Purchased Insurance - Property	1,770,186	1,358,092
Other Insurance Products	417,223	452,200
Payroll & Benefits	1,158,778	1,717,732
Contracted Services	443,975	494,289
Risk & Loss Prevention	220,044	219,645
Training & Education	76,017	43,390
Technical & Subscription Services	301,077	281,025
General & Administrative	276,928	156,845
Depreciation	27,906	27,550
Capital Asset Audit Adjustment Expense	- 0	27,183
<b>TOTAL OPERATING EXPENSES</b>	<b>\$11,048,261</b>	<b>\$13,890,076</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$5,355,456</b>	<b>\$1,619,962</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest Income (Loss)	\$(252,024)	\$1,231,761
Change in Equity in GEM	459,620	- 0
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>\$207,596</b>	<b>\$ 1,231,761</b>
<b>TOTAL CHANGE IN NET POSITION</b>	<b>\$5,563,052</b>	<b>\$2,851,722</b>
<b>NET POSITION, JANUARY 1</b>	<b>\$35,721,886</b>	<b>\$32,870,164</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$41,284,939</b>	<b>\$35,721,886</b>

\*At the time of publishing, 2021 financial statements had not been audited.

# COMPARATIVE STATEMENT OF CASH FLOWS

For the years ended December 31\*

As of December 31\*

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from Member assessments	\$14,237,940	\$19,225,684
Cash from Members and others	190,294	101,565
Cash paid for claims	(4,890,089)	(4,931,778)
Cash paid for excess/reinsurance	(6,042,211)	(3,573,685)
Cash paid for employee wages and benefits	(1,555,858)	(1,504,092)
Cash paid for contracted services	(703,187)	(440,912)
Cash paid for general and administrative expenses	(953,085)	(1,116,065)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$283,804</b>	<b>\$7,760,717</b>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Cash paid to acquire or improve capital assets	- 0	\$(6,510)
<b>NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES</b>	<b>- 0</b>	<b>\$(6,510)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash from maturing securities	\$5,000,000	\$5,000,000
Cash from interest on investments	(273,249)	1,183,703
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$4,726,751</b>	<b>\$6,183,703</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>\$5,010,555</b>	<b>\$13,937,910</b>
<b>BALANCES - BEGINNING OF THE YEAR</b>	<b>\$54,477,245</b>	<b>\$40,539,335</b>
<b>BALANCES - ENDING OF THE YEAR</b>	<b>\$59,487,800</b>	<b>\$54,477,245</b>

\*At the time of publishing, 2021 financial statements had not been audited.

# DEPARTMENT OF ENTERPRISE SERVICES

## SCHEDULE OF EXPENSES

For the years ended December 31\*

	2021	2020
<b>OPERATING EXPENSES</b>		
Claims & Loss Adjustments	\$4,462,026	\$7,218,651
Insurance Services		
Purchased Insurance - Liability	\$1,894,102	\$1,893,472
Purchases Insurance - Property	1,770,186	1,358,092
Other Insurance Products	417,223	452,200
<b>TOTAL INSURANCE SERVICES</b>	<b>\$4,081,510</b>	<b>\$3,703,765</b>
<b>CONTRACTED SERVICES</b>		
Actuarial	\$141,450	\$82,750
Audit Expenses	16,518	11,197
Brokerage Fees	109,000	109,950
Legal Fees	69,682	109,460
State Risk Manager	7,325	11,720
Accounting Services	10,435	31,743
IT Services	58,091	88,807
Other Consultant Fees	31,473	48,663
<b>TOTAL CONTRACTED SERVICES</b>	<b>\$443,975</b>	<b>\$494,289</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Payroll & Benefits	\$1,158,778	\$1,717,732
Risk & Loss Prevention	220,044	219,645
Training & Education	76,017	43,390
Technical & Subscription Services	301,077	281,025
Board Expenses	84,119	40,426
Staff Travel & Professional Development	47,003	29,289
Occupancy	76,812	95,063
Administrative	68,994	(7,933)
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$2,032,844</b>	<b>\$2,418,637</b>
<b>DEPRECIATION</b>	<b>\$27,906</b>	<b>\$27,550</b>
<b>CAPITAL ASSET AUDIT ADJUSTMENT EXPENSE</b>	<b>- 0</b>	<b>\$27,183</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$11,048,261</b>	<b>\$13,890,076</b>

\*At the time of publishing, 2021 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.

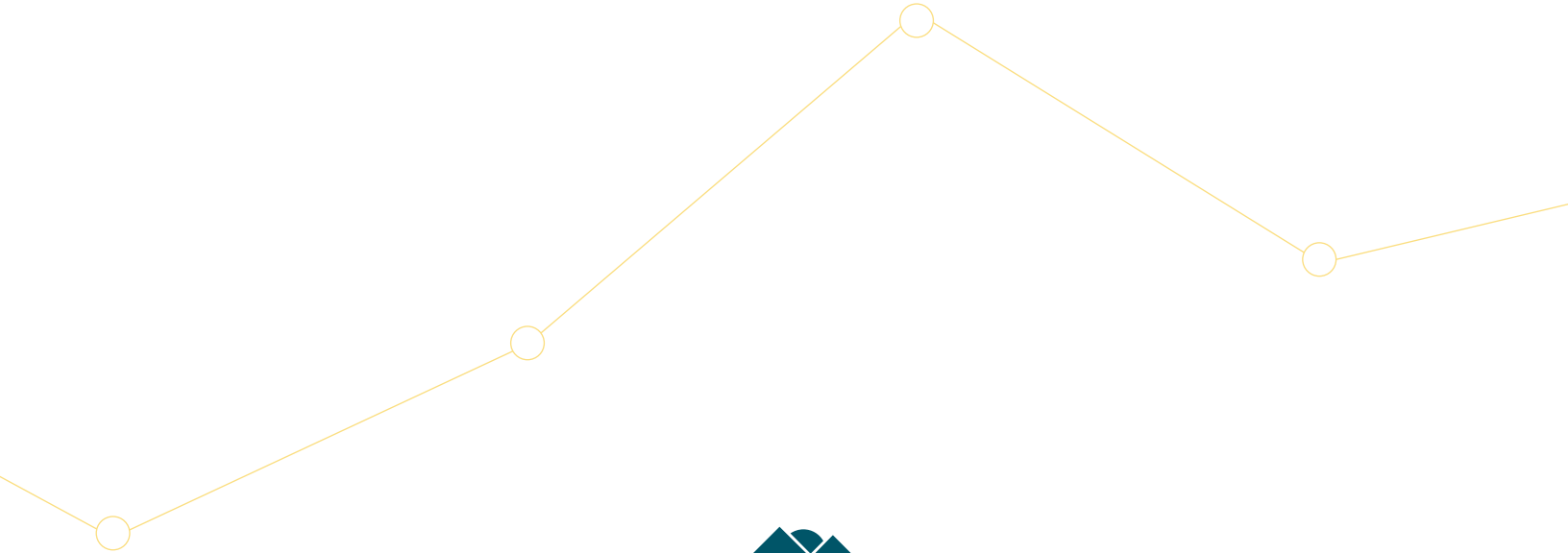
Fiscal and Policy Year Ended  
(in Thousands of Dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>1. Member contribution and investment revenues</b>										
Gross	10,933	11,439	11,785	12,521	13,198	14,779	15,932	17,842	16,437	16,267
Ceded	1,904	2,166	2,206	1,999	2,150	2,215	2,324	2,573	3,252	3,664
Net earned	9,029	9,273	9,579	10,522	11,048	12,564	13,608	15,269	13,185	12,603
<b>2. Unallocated operating expenses</b>										
	2,223	2,433	2,500	3,058	3,142	2,735	2,781	2,983	2,880	3,163
<b>3. Estimated losses &amp; expenses end of policy year</b>										
Incurred	4,994	5,470	7,047	5,764	5,395	8,106	9,068	8,998	5,969	6,094
Ceded	180	202	408	521	547	361	837	788	804	759
Net Incurred	4,814	5,268	6,639	5,243	4,848	7,745	8,231	8,210	5,165	5,335

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

**2012    2013    2014    2015    2016    2017    2018    2019    2020    2021**

4. Paid (cumulative) as of:										
End of policy year	927	1,075	983	1,086	805	1,870	1,115	1,097	773	1,010
One year later	1,828	2,172	2,050	2,270	2,056	2,819	2,808	2,633	1,383	
Two years later	2,692	3,141	3,815	4,814	3,231	3,344	3,805	3,758		
Three years later	4,348	3,827	5,730	5,662	3,878	4,235	5,247			
Four years later	4,855	4,951	5,993	6,267	4,105	5,006				
Five years later	4,906	6,191	6,020	6,644	4,114					
Six years later	4,924	6,278	6,023	6,674						
Seven years later	4,912	6,350	6,041							
Eight years later	4,910	6,352								
Nine years later	4,921									
5. Re-estimated ceded losses & expenses										
	1,228	46	3,097	764	42	78	393	411	511	
6. Re-estimated net incurred claims and expenses:										
End of policy year	4,994	5,470	7,047	5,764	5,395	8,106	9,068	4,806	5,969	
One year later	4,320	5,052	7,640	5,735	6,214	6,605	8,337	10,215	5,716	
Two years later	4,755	5,448	7,340	7,320	5,668	6,170	8,794	10,035		
Three years later	4,858	6,220	6,470	9,868	4,691	6,603	9,100			
Four years later	4,976	6,918	6,262	7,725	4,286	5,994				
Five years later	5,065	6,753	6,145	7,444	4,221					
Six years later	5,000	6,222	6,062	6,718						
Seven years later	4,912	6,368	6,065							
Eight years later	4,910	6,369								
Nine years later	4,921									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year										
	107	1,101	(574)	1,475	(627)	(1,751)	869	1,825	551	(5,335)



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