

2022 Annual Report

**WASHINGTON STATE
TRANSIT INSURANCE POOL**

Table of Contents

Message from the President	2
Board of Directors	4
Executive Director's Message	5
Staff and Service Providers	8
2022 Awards	9
2022 Coverages	10
Insurance Contracts	13
Three-Year Comparative Summary	14
Comparative Statement of Net Position	16
Comparative Statement of Revenues, Expenses, & Changes in Net Position	17
Comparative Statement of Cash Flows	18
Department of Enterprise Services Schedule of Expenses ..	19
Claims Development Information	20





Are We There Yet?

A Message from 2022 President of the Board, Jesse Kinney

Every long journey seems to have this question asked repeatedly. We couldn't have known how difficult the journey would be three years ago when the Board adopted the 2020 to 2022 strategic plan, but we are all about navigating risk. As a Board Presidency you could say we were going to take turns navigating our way through not only a strategic plan but also a pandemic.

Shonda Shipman, 2020 WSTIP Board President took the first leg of the journey and guided us through challenges that also became opportunities for change. Neither Shonda, the Members or the Pool waited for things to get better to act. Collectively we adapted, we persevered and accomplished most of what we envisioned in that first year of the strategic plan. In 2020, we were resilient in the face of adversity.

Danette Rogers, 2021 WSTIP Board President took the next turn at the wheel. Believing 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. In 2021, the Pool embraced hybrid meetings, focused on succession readiness, and adopted robust capital funding adequacy targets to further strengthen WSTIP's ability to withstand financial adversity. In 2021, we became more future ready.

In 2022 I had the opportunity to drive the final leg as the Pool completed the strategic plan and strategic priorities. During my

year, we focused on how our money works for us. We formed an Investment Committee to advise the WSTIP Executive Committee about investment strategy, to review investment policy, and to provide investment oversight (including security, liquidity, and compliance) for WSTIP's funds. The work of the Investment Committee helped us adopt changes to our investment policy and opened the door to a new investment relationship with the Washington State Office of the State Treasurer (OST). WSTIP ends 2022 ready to deposit \$15 million in a separately managed account with OST as a means of supporting the financial adequacy work of 2021.

We also reviewed key assumptions in how our assessments are calculated. This work, completed by our actuary, is now being handed off to our next President.

Our long-term Treasurer, Suzanne Coit, an employee of Intercity Transit, retired in 2022. We were sad to see her leave, and also recognized it as an opportunity to re-think the Treasurer role. For years the Treasurer role had been by appointment with the appointee serving in that role until they were no longer an employee of their agency. Some of the work of a Treasurer is done by the Board Treasurer and some is done by WSTIP Staff. Through much discussion it was decided to elect, rather than appoint a Treasurer. This required a change to the Bylaws. We now elect a Treasurer to serve a three-year term. In other policy guidance we outlined the duties of the Treasurer and Deputy Treasurer in ways that hadn't been expressed before.

As we looked to manage risk, a topic that came before the Board was General Liability Coverage as it relates to non-employee non-transit passengers in Member-owned vehicles on Member approved travel. Coverage limitations were established such

that occupants not covered by workers compensation would be limited to \$100,000 for property damages and \$300,000 for bodily injury. Cyber liability coverage continues to be an area of interest and concern for the Members. We want to maintain the ability to seek this coverage for the whole Pool but also realize the risk appetite of underwriters is shifting from a pooled risk model to the risks of the individual entity. We continue to work collectively to improve our individual risks in the hope that doing so allows us obtain coverage as a pooled risk.

Are we there yet?

The end of the strategic plan? Yes, so get ready for a new version.

The end of the pandemic? Hard to say.

The end of this message? Almost. I want to thank the Members for entrusting me with the opportunity to serve as the WSTIP Board President. It has been an experience like no other in a time like no other. Shonda and Danette did an incredible job of leading in their terms. I humbly hope I did the same because to serve in this capacity, to be entrusted with Pool priorities has been a privilege and a blessing. I am grateful for the dedication and determination of the Board, Members and Pool staff to accomplish so much.

Are we there yet? In so many ways, we are. We are because we have resiliency built into finances, our Board and Staff, because we function as a team, and because we are so invested in our mutually beneficial outcomes. Yes, we are definitely there.

2022 Board of Directors

Asotin County PTBA

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

Ben Franklin Transit

Jeff Lubeck, Director of Administrative Services
Alt: Jim Thoelke, Safety and Security Manager/
Steve Davis, Assistant Director of Transit
Operations/Jaslyn Campbell, Senior Manager
of Finance

Central Transit

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

Clallam Transit

Kevin Gallacci, General Manager
Alt: Andy Rowison, Human Resources Manager

Columbia County Public Transportation

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

Community Transit

Geri Beardsley, Director of Administration/
Lori Fox, Controller
Alt: SuziAnna Scheidegger, Accounting
Supervisor/Cyndie Eddy, Assistant Accounting
Manager
Alt: Don Burr, Deputy Director Safety, Security
& Sustainability

C-Tran

Scott Deutsch, Director of Safety & Risk
Alt: Laura Merry, Chief of Staff

Everett Transit

Tom Hingson, Transportation and Transit
Services Director
Alt: Michael Schmieder, Transit Operations
Program Manager

Alt: Chris Muth-Schulz, Risk Manager
Alt: Brandon Hilby, Finance & Budget
Coordinator

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

Jana Brown, Chief Financial Officer
Alt: Suzanne Coit, Finance Manager/
Heather Stafford-Smith, Director of
Administrative Services
Alt: Emily Bergkamp, Director of Operations

Island Transit

Staci Jordan, Program Coordinator
Alt: Todd Morrow, Executive Director

Jefferson Transit

Sara Crouch, Finance Manager/
Nicole Gauthier, General Manager
Alt: Tammi Rubert, General Manager/
Miranda Nash, Finance Manager

Kitsap Transit

Paul Shinnors, Finance Director
Alt: Mary Pauly, Human Resources Director

Link Transit

Justin Brockwell, Finance Manager
Alt: Shawn Larson, Safety Officer

Mason Transit

Amy Asher, General Manager
Alt: LeeAnn McNulty, Finance Manager/
Jason Rowe, Operations Manager

Pacific Transit

Michael Wagner, Director
Alt: Pattie Gray, HR Admin

Pierce Transit

Amy Cleveland, Executive Director of
Administration
Alt: Danette Rogers, Finance Manager
Alt: Karen Thesing, Risk Manager
Alt: Chris Schuler, Executive Director of Finance
Alt: Tara Schaak, Employee Services Manager

Pullman Transit

Wayne Thompson, Transit Manager
Alt: Jonna Davis, Finance & Administrative
Services Director

RiverCities Transit

Jim Seeks, Transit Manager
Alt: Tabitha Hayden, Transit Supervisor
Alt: Elizabeth Halili, Administrative Secretary

Skagit Transit

Joe Macdonald, Director of Safety and Training
Alt: Dale O'Brien, Chief Executive Officer

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 Meyer, Chief Executive Officer

Valley Transit

Jesse Kinney, Deputy General Manager
Alt: Briana Malmquist, Human Resources
Manager/Angie Peters, General Manager
Alt: Lowell Nee, Operations Manager

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 the Executive Director, Tracey Christianson

I want to start by thanking the WSTIP Staff for all their hard work this, and every, year. I am honored to be a part of staff that personally inspires me to find improvements in myself and in this organization. The Staff's "can do" positive attitude and unwavering dedication to our Members is a daily delight. Further, I want to thank the WSTIP Board of Directors for giving their time to WSTIP and handling tough issues in a diplomatic and collegial manner. The Board's commitment to WSTIP and to each other is the backbone and the heart of this organization.

2022 was the last year of our three-year Strategic Plan and many accomplished activities were in support of the Strategic Plan. For example, the WSTIP Learning Management System (LMS) known as WSTIP Learns really picked up steam this year. User access exceeded 2,200 individuals, and course offerings expanded to include Defensive Driving for Vanpool Drivers as well as topics related to mental health, finance basics and leadership skills (and more). The WSTIP Learns platform allows WSTIP Members to upload their own developed material, making the platform a one-stop shop for training content and a great value for Members that don't have their own LMS.

Our actuaries at PwC, led by Kevin Wick, completed the review of the underwriting structure and presented their work to the Board in December. This was another Strategic Priority from the Strategic Plan. The decision to implement their work is still in the Board's hands and will continue into 2023 and possibly beyond.

Supporting Board Governance

WSTIP purchased the AGRIP Pooling Academy: Pooling Basics as a supplement for new Board Member education and as a refresher training program for our veteran Board Members. This new online training program, along with our existing Board orientation series Behind the Curtain, provides our Board Members a total of 20 hours of Board orientation content. It was also my privilege to introduce 12 new Board Members to WSTIP, and to connect with 15 veteran Board Members for the purpose of checking in on how WSTIP’s objectives were meeting individual Member needs.

In further support of our Board, Staff prepared 36 videos (almost 12 hours of video content) in 2022 on hot topics connected with Board or Executive Committee meetings. Videos were distributed as part of the meeting packets, and based on the positive feedback we received, Staff expect to continue to be behind the camera filming hot topics in 2023.

Member Services

Our Member Services team really hit things hard in 2022 by conducting 46 on-site visits to our Members, coordinating 21 training events, managing/completing 101 Transit ASKs, and writing 18 TransACTION newsletters, 11 Charting Our Course newsletters, and eight Origami Roundup newsletters (that is 37 newsletters). And that’s not all. Annual production of the Risk Profiles, Annual Report, a new report for on-site visits (for Best Practice voluntary compliance) and updated Best Practices rounded out the Member Services efforts in 2022.

Staff also continue to work very closely with Members who wish to get the very most they can possibly get out of Origami (WSTIP’s Risk Management Information System). Staff performed weekly meetings for almost all of 2022 and worked closely with Members on projects specific to the Member’s needs.

IN 2022

12

new Board Members

36

hot topic videos

46

on-site visits

21

training events

101

Transit ASKs

37

newsletters

All this work was a particular challenge for the Member Services team since we also had staff turnover in this department in 2022. Christian DeVoll, Transit Risk Consultant, retired in April after a 10-year career at WSTIP. We hired Todd Iddings for that role starting in March and put him on the road visiting Members, first with Chris and Joanne, and then on his own.

Claims Management

Our Claims Team closed all claims and litigation files related to 2016. Closing a year is always cause for celebration at the Pool! Our claims activity continues to stay low, which Staff still credit to the reduced number of cars on the road. Litigation numbers grew slightly due to the lack of movement of cases in the court system and we expect to see quite a few trials in 2023. This department also had staff turnover this year. Our Claims Specialist, Joel Lambert, left in January and we hired a new Claims Specialist, John Cushing, in May. I am happy to report that this team gelled quickly and even without a teammate for three months of the year managed to bring in +\$1.2 million in subrogation dollars!

Lastly, we said goodbye to Brandy Clark, our Administrative Assistant, in July. As we decided what to do with the position and to have time for the hiring process, we filled the role with a temporary, part-time employee. Caron Igoe remained on staff for the rest of 2022 as we looked to fill the position in 2023.

Before signing off, I would be remiss if I did not mention the Pool's financial health. WSTIP ended 2022 with a total net position of over \$44 million (an increase of 16% compared to 2020). Our continued efforts to raise capital to withstand adversity and take on more risk is becoming apparent, and I congratulate the Board and the Staff for getting us there.



2022 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. Assists with WSTIP Coverage and contract review.

Joanne Kerrigan, Members 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 Safety & Risk Advisor 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/ Todd Iddings, Safety & Risk Advisor

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/Caron Igoe

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

Adjusts claims, directs staff and external adjustment of claims, and performs support functions for the department including auditing and monitoring the database and claim files, assists with data-entry of initial claims, managing and maintaining diaries for multiple claims.

Joel Lambert, Claims Associate/ John Cushing, Claims Specialist

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
Olympia, WA

Actuarial Services: PricewaterhouseCoopers
Seattle, WA

Accounting Services: StraderHallet, PS; Lacey, WA

Awards

Safety Stars Award

WSTIP recognizes the long-term dedication and commitment to safety with the annual Safety Stars awards. This award recognizes Members who 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 2022 winners are based on claims data for 2017–2021:

Community Transit

Clallam Transit

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 four awards given out in 2022, totaling \$1000:

Gary Young, Kitsap Transit

Leata Roberts, Intercity Transit

Marge Root, Skagit Transit

Pat Brown, Whatcom Transportation Authority

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 2022, WSTIP awarded a combined total of \$7,000 in scholarships to the following individuals:

Agustin Ortega, Everett Transit

Cara Brocx, Community Transit

Brandy Clark, WSTIP

Cheri Huxtable, Clallam Transit

Matthew Trecha, Community Transit

Nathan Groh, Pierce Transit

Shawn Brewer, Grays Harbor Transit

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 2022, WSTIP awarded \$4,050 recognizing a total of 23 employees from: **C-Tran, Grays Harbor Transit, Link Transit, Pierce Transit, Skagit Transit, Spokane Transit Authority and Whatcom Transportation Authority.**

2022 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.

<u>Liability</u>	<u>Member Deductibles</u>	<u>Self-Insured Retention</u>	<u>Reinsurance/ Excess Limits</u>
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	(2)	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.

	Member Deductibles	Self-Insured Retention	Reinsurance/ Excess Limits
Property³			
Building and Contents	Varies by Member ³	\$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 \$1.5 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	\$35 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. Yakima purchases auto physical damage coverage but not all risk property.

(4) Boiler & Machinery deductible: \$250,000,000 for units under 750hp, 25,000 KW/KVA/Amp, or Boilers over 75,000 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 2022 were: C-Tran \$10,000; Pierce Transit and Spokane Transit \$25,000; all other Members \$5,000.

(6) Annual Aggregate

	Member Deductibles	Self-Insured Retention	Reinsurance/ Excess Limits
Cyber Liability & First Party Computer Security⁷			
Cyber Liability and First Party Computer Security	\$5,000	None	\$45 million**; \$2 million*
Breach Response Costs	\$5,000	None	\$500,000*
First Party Loss			
Business Interruption			
Resulting from Security Breach	\$5,000	None	\$750,000*
Resulting from System Failure	\$5,000	None	\$500,000*
Cyber Extortion Loss	\$5,000	None	\$750,000*
Data Recovery Costs	\$5,000	None	\$750,000*
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	\$100,000*
Claims Prep Cost for Reputational Loss Claims	\$5,000	None	\$50,000*
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 \$45M applies to all insureds that purchase the policy

Insurance Contracts

COVERAGE	CARRIER	LAYER
Liability	Governmental Entities Mutual	\$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	\$2 million
Blanket Pollution	Beazley Eclipse	\$5 million
Underground Storage Tank (UST)	Mid-Continent Casualty Company	\$1 million per storage tank incident \$1 million aggregate
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	\$45 million aggregate for all Beazley insureds \$2 million aggregate per Member

2022

Three-Year Comparative Summary

As of December 31*

	2022	2021	2020
ASSETS			
Current Assets	\$65,532,750	\$62,932,689	\$55,462,326
Capital Assets, Net	636,476	397,682	425,588
Noncurrent Assets	3,161,746	3,362,047	7,024,243
TOTAL ASSETS	\$69,330,972	\$66,692,418	62,912,157
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	\$348,864	\$ 106,699	\$91,863
Deferred Outflows - OPEB	1,514	1,538	1,382
TOTAL DEFERRED OUTFLOWS	\$350,378	\$ 108,237	\$93,245
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 69,681,350	\$ 66,800,655	\$63,005,402
LIABILITIES			
Current Liabilities	\$7,341,380	\$7,511,339	\$7,353,921
Noncurrent Liabilities	17,800,588	17,103,466	19,823,494
TOTAL LIABILITIES	\$ 25,141,967	\$24,614,805	\$27,177,416
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	\$378,717	\$900,911	\$106,100
TOTAL LIABILITIES & DEFERRED INFLOWS	\$25,520,684	\$25,515,716	\$27,283,516
NET POSITION			
Investment in Capital Assets	636,476	397,682	425,588
Restricted Pension Asset	350,554	854,706	- 0
Unrestricted Net Position	43,173,636	40,032,551	35,296,298
TOTAL NET POSITION	\$44,160,666	\$41,284,939	\$35,721,886
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$69,681,350	\$66,800,655	\$63,005,402

*At the time of publishing, 2022 financial statements had not been audited.

As of December 31*

	2022	2021	2020
OPERATING REVENUES			
Member Assessments (All Types)	\$17,260,776	\$16,267,167	\$15,422,586
Other Operating Revenues	270,233	136,549	87,452
TOTAL OPERATING REVENUES	\$17,531,009	\$16,403,716	\$15,510,038
OPERATING EXPENSES			
Claims & Loss Adjustments	7,000,171	\$4,462,026	\$7,218,651
Insurance Services	4,485,417	4,081,510	3,703,765
General & Administrative	2,931,042	2,504,725	2,967,660
TOTAL OPERATING EXPENSES	\$14,416,629	\$11,048,261	\$13,890,076
TOTAL OPERATING INCOME	\$3,114,380	\$5,355,456	\$1,619,962
OTHER INCOME (EXPENSE)			
Interest Income (Expense)	\$(238,653)	\$207,596	\$1,231,761
TOTAL OTHER INCOME (EXPENSE)	\$(238,653)	\$207,596	\$1,231,761
TOTAL CHANGE IN NET POSITION	\$2,875,727	\$5,563,052	\$2,851,722

*At the time of publishing, 2022 financial statements had not been audited.

2022

Comparative Statement of Net Position

For the years ended
December 31*

As of December 31*

	2022	2021		2022	2021
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Deposits and Investments	\$61,929,881	\$59,487,800	Accounts Payable	\$169,308	\$213,017
Accounts Receivable	36,234	28,796	Compensated Absences	176,354	163,346
Interest Receivable	227,703	77,216	Subscription Liability	174,939	- 0
Prepaid Insurance	3,243,247	3,201,028	Unearned Revenues	750	900
Prepaid Expense	95,685	137,849	Unpaid Claims Liability	6,817,000	7,131,000
TOTAL CURRENT ASSETS	\$65,532,750	\$62,932,689	Total OPEB Liability	3,029	3,076
NONCURRENT ASSETS			TOTAL CURRENT LIABILITIES	\$7,341,380	\$7,511,339
Capital Assets, Net	636,476	\$397,682	NONCURRENT LIABILITIES		
Equity in Governmental Entities Mutual	2,810,619	2,503,630	Compensated Absences	\$27,326	\$25,009
Deposits Held For Risk Pool Leadership	573	3,711	Subscription Liability	34,988	- 0
Net Pension Assets	350,554	854,706	Due to Risk Pool Leadership	573	3,711
TOTAL NONCURRENT ASSETS	\$3,798,222	\$3,759,729	Due to Members	2,592,702	2,082,774
TOTAL ASSETS	\$69,330,972	\$66,692,41	Unpaid Claims Liability - Reserves	5,983,870	5,922,723
DEFERRED OUTFLOWS OF RESOURCES			Unpaid Claims Liability - IBNR	7,728,995	7,674,345
Deferred Outflows - Pension	348,864	\$106,699	Unpaid Claims Liability - ULAE	840,000	860,000
Deferred Outflows - OPEB	1,514	1,538	Total OPEB Liability	390,462	453,277
TOTAL DEFERRED OUTFLOWS	\$350,378	\$108,237	Net Pension Liability	201,672	81,627
TOTAL ASSETS & DEFERRED OUTFLOWS	\$69,681,350	\$66,800,655	TOTAL NONCURRENT LIABILITIES	\$17,800,588	\$17,103,466
			TOTAL LIABILITIES	\$25,141,967	\$24,614,805
			DEFERRED INFLOWS OF RESOURCES		
			Deferred Inflows - Pension	\$378,717	\$900,911
			TOTAL LIABILITIES & DEFERRED INFLOWS	\$25,520,684	\$25,515,716
			NET POSITION		
			Investment in Capital Assets	\$636,476	\$397,682
			Restricted Pension Asset	350,554	854,706
			Unrestricted Building Reserve	79,166	54,166
			Unrestricted Technology Grant Reserve	484,328	403,614
			Unrestricted Net Position	42,610,142	39,574,771
			TOTAL NET POSITION	\$44,160,666	\$41,284,939
			TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$69,681,350	\$66,800,655

*At the time of publishing, 2022 financial statements had not been audited.

2022

Comparative Statement of Revenues, Expenses & Changes in Net Position

For the years ended
December 31*

As of December 31*

	2022	2021
OPERATING REVENUES		
Member Assessments	\$17,637,989	\$16,626,241
Other Insurance Products	738,153	896,893
Performance Period Assessment Audit (PPAA)	(1,115,366)	(1,255,966)
Other Operating Revenues	270,233	136,549
TOTAL OPERATING REVENUES	\$17,531,009	\$16,403,716
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,000,171	\$4,462,026
Purchased Insurance - Liability	2,027,728	1,894,102
Purchased Insurance - Property	2,046,669	1,770,186
Other Insurance Products	411,021	417,223
Payroll & Benefits	1,545,315	1,158,778
Contracted Services	346,517	443,975
Risk & Loss Prevention	143,821	220,044
Training & Education	164,450	76,017
Technical & Subscription Services	84,847	301,077
General & Administrative	407,600	276,928
Depreciation & Amortization	238,491	27,906
TOTAL OPERATING EXPENSES	\$14,416,629	\$11,048,261
TOTAL OPERATING INCOME	\$3,114,380	\$5,355,456
OTHER INCOME (EXPENSE)		
Interest Income	\$888,980	\$545,698
Unrealized (Loss) on Investments	(1,428,936)	(797,722)
Change in Equity in GEM	306,989	459,620
Interest Expense	(5,686)	- 0
TOTAL OTHER INCOME (EXPENSE)	\$(238,653)	\$207,596
TOTAL CHANGE IN NET POSITION	\$2,875,727	\$5,563,052
NET POSITION, BEGINNING OF THE YEAR	\$41,284,939	\$35,721,886
NET POSITION, ENDING OF THE YEAR	\$44,160,666	\$41,284,939

*At the time of publishing, 2022 financial statements had not been audited.

2022

Comparative Statement of Cash Flows

For the
years ended
December 31*

As of December 31*

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Member assessments	\$17,770,708	\$14,237,940
Cash from Members and others	172,517	190,294
Cash paid for claims	(7,218,374)	(4,890,089)
Cash paid for excess/reinsurance	(4,304,097)	(6,042,211)
Cash paid for employee wages and benefits	(1,729,371)	(1,555,858)
Cash paid for contracted services	(347,791)	(703,187)
Cash paid for general and administrative expenses	(1,088,511)	(953,085)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$3,255,081	\$283,804
CASH FLOWS FROM CAPITAL ACTIVITIES		
Cash paid to acquire or improve capital assets	\$(216,750)	- 0
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	\$(216,750)	- 0
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from long-term investments	- 0	\$5,000,000
Cash from interest on investments	\$(596,250)	(273,249)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$(596,250)	\$4,726,751
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$2,442,081	\$5,010,555
BALANCES - BEGINNING OF THE YEAR	\$59,487,800	\$54,477,245
BALANCES - ENDING OF THE YEAR	\$61,929,881	\$59,487,800

*At the time of publishing, 2022 financial statements had not been audited.

2022

Department of Enterprise Services

Schedule of Expenses

For the years ended
December 31*

	2022	2021
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,000,171	\$4,462,026
Insurance Services		
Purchased Insurance - Liability	\$2,027,728	\$1,894,102
Purchases Insurance - Property	2,046,669	1,770,186
Other Insurance Products	411,021	417,223
TOTAL INSURANCE SERVICES	\$4,485,417	\$4,081,510
CONTRACTED SERVICES		
Actuarial	\$92,750	\$141,450
Audit Expenses	11,064	16,518
Brokerage Fees	101,200	109,000
Legal Fees	66,648	69,682
State Risk Manager	2,930	7,325
Accounting Services	10,215	10,435
IT Services	50,767	58,091
Other Consultant Fees	10,943	31,473
TOTAL CONTRACTED SERVICES	\$346,517	\$443,975
GENERAL & ADMINISTRATIVE EXPENSES		
Payroll & Benefits	\$1,545,315	\$1,158,778
Risk & Loss Prevention	143,821	220,044
Training & Education	164,450	76,017
Technical & Subscription Services	84,847	301,077
Board Expenses	179,481	84,119
Staff Travel & Professional Development	104,082	47,003
Occupancy	66,536	76,812
Administrative	57,501	68,994
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$2,346,033	\$2,032,844
DEPRECIATION & AMORTIZATION	\$238,491	\$27,906
TOTAL OPERATING EXPENSES	\$14,416,629	11,048,261

*At the time of publishing, 2022 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Member contribution and investment revenues										
Gross	11,439	11,785	12,521	13,198	14,779	15,932	17,842	16,437	16,267	18,457
Ceded	2,166	2,206	1,999	2,150	2,215	2,324	2,573	3,252	3,664	4,074
Net earned	9,273	9,579	10,522	11,048	12,564	13,608	15,269	13,185	12,603	14,383
2. Unallocated operating expenses										
	2,433	2,500	3,058	3,142	2,735	2,781	2,983	2,880	3,163	3,111
3. Estimated losses & expenses end of policy year										
Incurred	5,470	7,047	5,764	5,395	8,106	9,068	8,998	5,969	6,094	7,711
Ceded	202	408	521	547	361	837	788	804	759	928
Net Incurred	5,268	6,639	5,243	4,848	7,745	8,231	8,210	5,165	5,335	6,783

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

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

4. Paid (cumulative) as of:										
End of policy year	1,075	983	1,086	805	1,870	1,115	1,097	773	1,010	1,091
One year later	2,172	2,050	2,270	2,056	2,819	2,808	2,633	1,383	1,743	
Two years later	3,141	3,815	4,814	3,231	3,344	3,805	3,758	2,180		
Three years later	3,827	5,730	5,662	3,878	4,235	5,247	6,714			
Four years later	4,951	5,993	6,267	4,105	5,006	6,801				
Five years later	6,191	6,020	6,644	4,114	5,075					
Six years later	6,278	6,023	6,674	4,132						
Seven years later	6,350	6,041	6,675							
Eight years later	6,352	6,039								
Nine years later	6,351									
5. Re-estimated ceded losses & expenses										
	1,209	31	3,083	1,128	31	56	861	211	582	
6. Re-estimated net incurred claims and expenses:										
End of policy year	5,470	7,047	5,764	5,395	8,106	9,068	8,998	5,969	6,094	
One year later	5,052	7,640	5,735	6,214	6,605	8,337	10,215	5,716	5,067	
Two years later	5,448	7,340	7,320	5,668	6,170	8,794	10,035	4,618		
Three years later	6,220	6,470	9,868	4,691	6,603	9,100	9,692			
Four years later	6,918	6,262	7,725	4,286	5,994	11,148				
Five years later	6,753	6,145	7,444	4,221	5,868					
Six years later	6,222	6,062	6,718	4,148						
Seven years later	6,368	6,065	6,689							
Eight years later	6,369	6,039								
Nine years later	6,351									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year										
	1,083	(600)	1,446	(700)	(1,877)	2,917	1,482	(547)	(268)	(6,783)



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