



WASHINGTON STATE
TRANSIT INSURANCE POOL

2023
ANNUAL
REPORT

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A photograph of a wind farm in a vast, golden-brown field under a clear blue sky. Several white wind turbines are visible, receding into the distance. The foreground is filled with tall, golden grass.

EMPOWERED BY THE WINDS OF CHANGE:

WSTIP Navigates a Transformative Year

A Message from 2023 President
of the Board, Scott Deutsch



The saying goes, “When the winds of change blow, some people build walls and others build windmills.”

As we navigate an ever-changing transit industry, the WSTIP Board of Directors chose to be windmill builders. We harnessed the winds of change and propelled the Pool into a period of exciting transformation, laying the groundwork for a better future for our Members.

SHAPING THE COURSE: A STRATEGIC ROADMAP

The Board recognized the need for a clear and actionable roadmap to guide the Pool’s future. This year, we adopted a comprehensive four-year Strategic Plan spanning 2023-2026. This plan prioritizes four key value areas for our Members: risk and loss management, financial stability, innovation, and value-added services. Each area has specific goals and objectives and staff received clear action items to ensure successful implementation. This Strategic Plan isn’t built in a vacuum. It reflects both continuity with our past successes and an unwavering commitment to the core values that make WSTIP strong.

BUILDING A STRONGER FOUNDATION: COVERAGE AND RISK MITIGATION

The Board prioritized addressing evolving risks and exposures in 2023.

Here are some key initiatives:

- We adjusted coverage limits to better manage law enforcement and security liability risks.
- We conducted a cybersecurity pilot project. Members actively participated, undergoing system evaluations and simulations to identify and mitigate cyber threats.
- With the growing adoption of electric vehicles, we recognized potential for large-loss scenarios. To address this, we offered an additional \$10 million in Auto Physical Damage (APD) coverage, exceeding the standard \$20 million limit.

STRENGTHENING GOVERNANCE: POLICIES AND PROCEDURES

Sound governance is the bedrock of a strong organization. The Board takes this responsibility seriously and reviews all Bylaws and policies annually. In 2023, we revised 14 out of 39 policies, ensuring they remain relevant and effective. The EC or Board also:

- Rescinded the outdated Legacy Resolutions Policy.
- Adopted a new Staff Compensation and Benefits Philosophy Policy, developed in conjunction with a compensation study. This ensures our compensation packages are competitive within the Washington Pool landscape.
- Established a strong Electronic Funds Transfer Policy to safeguard our financial resources.
- And, after a three-year review process, we adopted a new underwriting structure with the help of our actuaries at PricewaterhouseCoopers. This innovative structure better aligns premium costs with risk exposure, creating a fairer system for all Members and encouraging proactive loss prevention measures.

LEADERSHIP IN TRANSITION: A SECURE FUTURE

While we embraced change in many areas, one cornerstone remained constant: Tracey Christianson's exceptional leadership. In recognition of her 22+ years of unwavering service to WSTIP, including the past six years as Executive Director, the Board approved a contract extension. Tracey will serve until December 31, 2026, ensuring a smooth transition and continuity at the helm. Recognizing the importance of long-term succession planning, the Board will begin identifying potential candidates for the next Executive Director role in 2024.

It has been an immense privilege to serve as the 2023 WSTIP Board President. I extend my heartfelt gratitude to the dedicated Board members and the talented WSTIP staff for their tireless contributions. Together, we've made WSTIP a truly outstanding organization and I'm confident that even stronger winds of change and innovation are on the horizon.

Scott Deutsch

2023 BOARD OF DIRECTORS

Asotin County PTBA

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

Ben Franklin Transit

Rachelle Glazier, General Manager
Alt: Sarah Funk, Chief Financial Officer

Central Transit

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

Clallam Transit

Jim Fetzer, General Manager
Alt: Cherie Huxtable, Finance Manager

Columbia County Public Transportation

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

Community Transit

Cyndie Eddy, Assistant Accounting Manager
Alt: Eunjoo Greenhouse, Chief Financial Officer
Alt: Don Burr, Deputy Director Safety, Security & Sustainability
Alt: Nathan Roberts, Senior Director of Finance

C-Tran

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

Everett Transit

Tom Hingson, Transportation & 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: Eric Loomis, General Manager

Grays Harbor Transit

Ken Mehin, General Manager
Alt: Jean Braaten, Finance Manager
Alt: Terri Gardner, Operations Manager

Intercity Transit

Jana Brown, Chief Financial Officer
Alt: Emily Bergkamp, General Manager
Alt: Dena Withrow, Director of Operations

Island Transit

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

Jefferson Transit

Nicole Gauthier, General Manager
Alt: Miranda Nash, Finance Manager

Kitsap Transit

Paul Shinnars, 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: 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

Pullman Transit

Wayne Thompson, Transit Manager
Alt: Jeff Elbracht, Finance & Administrative Services Director

RiverCities Transit

Jim Seeks, Transit Manager
Alt: Doreen Daggett, Transit Supervisor
Alt: Tara Hargrave, Administrative Assistant

Skagit Transit

Joe Macdonald, Director of Safety & Training
Alt: Crystle Stidham, Chief Executive Officer
Alt: Jennifer Davidson, Director of Human Resources

Spokane Transit

Monique Liard, Chief Financial Officer
Alt: Nancy Williams, Director of Human Resources & Labor Relations
Alt: Brandon Rapez-Betty, Chief Operations Officer
Alt: E. Susan Meyer, Chief Executive Officer

Valley Transit

Jesse Kinney, Deputy General Manager
Alt: 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'm pleased to present WSTIP's 2023 Annual Report. This past year was marked by significant progress on our key goals, thanks to the dedication and hard work of our talented staff and Board of Directors. We've made important strides in implementing the new Strategic Plan adopted at the beginning of the year, and I'm excited to highlight some of these accomplishments with you.

INVESTING IN OUR FUTURE

We wanted to make sure the money we set aside for the future was working hard for us, but still kept safe. With the Investment and Executive Committees' direction, we entered into an interlocal agreement with the State of Washington Office of the Treasurer to participate in their Separately Managed Account (SMA). In February 2024, we invested \$15 million, roughly 25% of our available investment funds, into the SMA. The

performance has been so impressive that we're already considering investing an additional \$15 million in 2024.

INVESTING IN OUR PEOPLE

In the past, we conducted regular compensation and benefits reviews, carefully evaluating various elements during each study. Now, we've transformed our compensation and benefits approach from regular reviews to a formal policy. This policy clearly establishes the elements used in evaluations, defines our competitive labor market, and sets the frequency and implementation procedures for future reviews. It reflects the Board's commitment to attracting, retaining, and motivating committed, hardworking, and thoughtful employees. It also establishes the key metrics we'll use to guide future general wage increases.

MEMBER SERVICES: BUILDING STRONG RELATIONSHIPS, ONE VISIT, ONE TRAINING AT A TIME

Our Member Services Team rocked 2023! They hit the road 34 times to visit Members and squeezed in a whopping 14 training events on top of that. To make learning even easier, they teamed up with Lighthouse Consulting to create three new video courses on human resources for our learning management system. They also went into video production mode themselves, churning out nine in-house courses, mostly focused on deciphering insurance jargon in contracts (talk about a helpful skill!).

CAN YOU SAY PODCAST?

Well, at WSTIP we say ‘TODDCAST’. Never afraid to try new things or find new ways to reach our Members, WSTIP’s Safety and Risk Advisor Todd Iddings and Risk and Training Coordinator Laura Juell created Toddcasts (podcasts) hosted by Todd. In 2023, we produced 12 Toddcasts featuring hot loss prevention topics.

AND THERE IS MORE...

The team also tackled 97 member inquiries and kept everyone informed with a steady stream of newsletters – 17 TransACTIONS, 10 Charting Our Courses, and 8 Origami Roundups (that’s 35 total!). They even put together a new best practice guide on setting up an internal security department. Collaboration was key, too – they joined forces with the Washington State Transit Association and Department of Licensing to hold re-certification training for all 46 Third Party CDL Testers and helped certify an additional 12 testers. Talk about a productive year!

EMPOWERING OUR BOARD WITH ENHANCED SUPPORT INITIATIVES

Staff are committed to continuously improving our support for the Board and that work this year was apparent in two initiatives:

Improving the sound quality at the Board meetings.

Our Board meetings are held at various hotels and conference centers. One ongoing challenge when holding Board meetings at various locations is ensuring consistent, high-quality sound. To address this and foster an improved experience for Board members (in person and remotely), WSTIP invested in a portable 24- microphone sound system. This independent system, consisting of a mixer, microphones, cables and speakers, eliminates the reliance on the conference center’s equipment. The impact has been significant. By providing clear and reliable audio, this initiative has demonstrably improved participation leading to more interactive and productive meetings.

Enhancing Board Decision-Making with Educational Videos.

In further support of our Board, Staff prepared 25 videos in 2023 (almost 10 hours of video content) on hot topics connected with Board or Executive Committee meetings. Distributed with the meeting packets, these videos have been instrumental in facilitating well-informed discussions and decisions.

IN 2023:

97

Member
Inquiries

14

Training
Events

12

New Training
Courses

35

Newsletters

Based on the positive feedback received, staff are committed to continuing this practice in 2024.

THE CLAIMS TEAM CRUSHES IT IN 2023

The Claims team wasn't messing around this year! They completely cleared out all the claims and lawsuits from 2017! Plus, they raked in a cool \$1.5 million through subrogation, which is a nice boost for our bottom line. Of course, it wasn't all smooth sailing. A large jury verdict in the amount of \$5.5 million came down this year which definitely stung, and backlogs in the court system are causing a rise in litigation for claims from 2020 onwards. But the Claims team isn't one to back down from a challenge. They're keeping a close eye on these cases and working hard to get them resolved as quickly as possible.

Speaking of tackling challenges, the team also made a smart move staffing-wise this year. They identified a position that was split between two departments, and – poof! – turned it into a full-time Claims Specialist role for the awesome Alyssa Zahir. This means the Claims team now has four dedicated members, all focused on getting those claims settled efficiently.

FINANCIAL HIGHLIGHTS: POSITIVE NET POSITION GROWTH WITH STRATEGIC CONSIDERATIONS

Our financial health in 2023 is characterized by a positive net position increase of \$6.5 million. This growth is attributable to two key factors: strong investment income and improvements in claims reserves for older years. These positive developments demonstrate our commitment to sound financial management.

However, it's important to acknowledge a counterbalancing factor: an increase in current claim liabilities and significant increases in purchased insurance costs. This rise is due to the identification of several significant claims from late 2023, and a

further hardening of the property and liability insurance markets. While this may require strategic adjustments moving forward, the Claims Department is actively managing claims and litigation to achieve timely resolutions and minimize financial impact and our broker is continuing to shop our insurance with price and broad coverage in mind.

SAYING FAREWELL WITH GRATITUDE

On a personal note, as you may have read in the President's message, this new contract will be my last with WSTIP. This wasn't an easy decision, but after 22 incredible years here, I'm thrilled to be transitioning into retirement. It's been an immense privilege to serve WSTIP, starting as your Member Services Manager and culminating in the past eight years as both Deputy Director and Executive Director. Working alongside such a talented and dedicated team has been the highlight of my career. You've challenged me, inspired me, and made coming to work a true joy.

Together, we've accomplished so much – from creating the first driver record monitoring program, to hiring our first full time Claims Manager, to growing our net position to what it is today. WSTIP is an organization I'm incredibly proud of and I'm so grateful for the memories and friendships I've made here. But don't worry, I'm not disappearing just yet! This new contract allows me to ensure a smooth transition and remain the same hardworking, hands-on Executive Director you've come to know. However, the travel bug has bitten me, and I look forward to joining my husband on adventures around the world in the next chapter.

Thank you for everything. I have the utmost confidence in the future of WSTIP and the amazing people who make it run.

Tracey Christianson

2023 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, 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 & 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.

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.

ALYSSA ZAHIR, CLAIMS SPECIALIST & 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

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, manage and maintain diaries for multiple claims.

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 - Lacey, WA

ACTUARIAL SERVICES: PricewaterhouseCoopers - Seattle, WA

ACCOUNTING SERVICES: Straderhallett, PS - Lacey, WA

TREASURY SERVICES: Thurston County Treasurer- Olympia, WA

2023 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) 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	\$2 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 ³	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 model year is 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 model year is fewer than 10 years old	Varies by Member ⁵	\$250,000	Replacement cost, up to \$1.6 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 2023 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⁽⁷⁾	Member Deductibles	Self-Insured Retention	Reinsurance/ Excess Limits
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			
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	\$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*
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	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	\$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 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		Fair Market Value for vehicles valued at or below \$250,000 or model year is more than 10 years old*
	Evanston Insurance Company	Replacement Cost for vehicles valued over \$250,000 and model year is fewer than 10 years old* \$20 million*
	Burlington Insurance Company	\$10 million in excess of \$20 million**
Cyber Liability	Beazley	\$25 million aggregate for all Beazley insureds
		\$2 million aggregate per Member

* \$20M aggregate per Member from any one occurrence where loss is to more than one vehicle.

** Members may elect to purchase/participate in the additional APD coverage.

2023 THREE-YEAR COMPARATIVE SUMMARY

As of December 31, 2023

For the years ended December 31,

	2023	2022	2021
ASSETS			
Current Assets	\$54,986,364	\$65,605,596	\$62,932,689
Capital Assets, Net	2,043,766	636,476	397,682
Noncurrent Assets	18,815,831	3,248,596	3,434,893
TOTAL ASSETS	\$75,845,962	\$69,490,668	\$66,765,264
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	\$310,832	\$348,864	\$106,699
Deferred Outflows - OPEB	1,597	1,514	1,538
TOTAL DEFERRED OUTFLOWS	\$312,429	\$350,378	\$108,237
TOTAL ASSETS & DEFERRED OUTFLOWS	\$76,158,391	\$69,768,200	\$66,873,501
LIABILITIES			
Current Liabilities	\$8,542,549	\$8,891,562	\$7,511,339
Noncurrent Liabilities	16,697,053	16,410,102	17,176,312
TOTAL LIABILITIES	\$25,239,601	\$25,301,663	\$24,687,651
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	\$217,750	\$378,717	\$900,911
TOTAL LIABILITIES & DEFERRED INFLOWS	\$25,457,351	\$25,680,380	\$25,588,562
NET POSITION			
Investment in Capital Assets	\$2,043,766	\$636,476	\$397,682
Restricted Pension Asset	308,074	350,554	854,706
Unrestricted Net Position	48,349,199	43,173,636	40,032,551
TOTAL NET POSITION	\$50,701,039	\$44,160,666	\$41,284,939
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$76,158,391	\$69,768,200	\$66,873,501

These interim financial statements have not been audited.

	For the years ended December 31,		
	2023	2022	2021
OPERATING REVENUES			
Member Assessments (All Types)	\$19,734,117	\$17,260,776	\$16,267,167
Other Operating Revenues	68,448	270,233	136,549
TOTAL OPERATING REVENUES	\$19,802,565	\$17,531,009	\$16,403,716
OPERATING EXPENSES			
Claims & Loss Adjustments	\$7,477,556	\$7,000,171	\$4,462,026
Insurance Service	5,003,743	4,485,417	4,081,510
General & Administrative	3,996,693	2,931,042	2,504,725
TOTAL OPERATING EXPENSES	\$16,477,993	\$14,416,629	\$11,048,261
TOTAL OPERATING INCOME	\$3,324,572	\$3,114,380	\$5,355,456
OTHER INCOME (EXPENSE)			
Other Income (Expense)	\$3,215,802	\$(238,653)	\$207,596
TOTAL OTHER INCOME (EXPENSE)	\$3,215,802	\$(238,653)	\$207,596
TOTAL CHANGE IN NET POSITION	\$6,540,374	\$2,875,727	\$5,563,052

These interim financial statements have not been audited.

2023 COMPARATIVE STATEMENT OF NET POSITION

As of December 31, 2023

For the years ended December 31,

	2023	2022		2023	2022
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Deposits and Investments	\$47,601,328	\$61,929,881	Accounts Payable	\$180,722	\$169,308
Accounts Receivable	2,363,979	36,234	Compensated Absences	182,873	176,354
Due from Members	86,850	72,846	Due to Members	1,202,216	1,550,182
Interest Receivable	85,435	227,703	Subscription Liability	266,749	174,939
Prepaid Insurance	4,745,238	3,243,247	Unearned Revenues	3,795	750
Prepaid Expense	103,534	95,685	Unpaid Claims Liability	6,703,000	6,817,000
TOTAL CURRENT ASSETS	\$54,986,364	\$65,605,596	Total OPEB Liability	3,194	3,029
NONCURRENT ASSETS			TOTAL CURRENT LIABILITIES	\$8,542,549	\$8,891,562
Capital Assets, Net	\$2,043,766	\$636,476	NONCURRENT LIABILITIES		
Long-Term Investments	15,564,557	-	Compensated Absences	\$31,443	\$27,326
Due from Members	460,532	86,850	Subscription Liability	1,385,144	34,988
Equity in GEM	2,411,809	2,810,619	Due to Risk Pool Leadership	544	573
Deposits Held For Risk Pool Leadership	544	573	Due to Members	454,463	1,202,216
Net Pension Assets	378,390	350,554	Unpaid Claims Liability - Reserves	5,412,107	5,983,870
TOTAL NONCURRENT ASSETS	\$20,859,597	\$3,885,072	Unpaid Claims Liability - IBNR	8,132,344	7,728,995
TOTAL ASSETS	\$75,845,962	\$69,490,668	Unpaid Claims Liability - ULAE	800,000	840,000
DEFERRED OUTFLOWS OF RESOURCES			Total OPEB Liability	317,610	390,462
Deferred Outflows - Pension	\$310,832	\$348,864	Net Pension Liability	163,398	201,672
Deferred Outflows - OPEB	1,597	1,514	TOTAL LONG-TERM LIABILITIES	16,697,053	16,410,102
TOTAL DEFERRED OUTFLOWS	\$312,429	\$350,378	TOTAL LIABILITIES	\$25,239,601	\$25,301,663
TOTAL ASSETS & DEFERRED OUTFLOWS	\$76,158,391	\$69,841,046	DEFERRED INFLOWS OF RESOURCES		
			Deferred Inflows - Pension	\$217,750	\$378,717
			TOTAL LIABILITIES & DEFERRED INFLOWS	\$25,457,351	\$25,680,380
			NET POSITION		
			Investment in Capital Assets	\$2,043,766	\$636,476
			Restricted Pension Asset	308,074	350,554
			Unrestricted Building Reserve	-	-
			Unrestricted Technology Grant Reserve	-	-
			Unrestricted Net Position	48,349,199	43,173,636
			TOTAL NET POSITION	\$50,701,039	\$44,160,666
			TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$76,158,391	\$69,841,046

These interim financial statements have not been audited.

2023 COMPARATIVE STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

As of December 31, 2023

For the years ended December 31,

2023

2022

OPERATING REVENUES		
Member Assessments	\$18,952,488	\$17,637,989
Other Insurance Products	775,560	738,153
Performance Period Assessment Audit (PPAA)	6,069	(1,115,366)
Other Operating Revenues	68,448	270,233
TOTAL OPERATING REVENUES	\$19,802,565	\$17,531,009
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,477,556	\$7,000,171
Purchased Insurance - Liability	2,071,602	2,027,728
Purchased Insurance - Property	2,447,515	2,046,669
Other Insurance Products	484,626	411,021
Payroll & Benefits	1,710,591	1,545,315
Contracted Services	527,963	346,517
Risk & Loss Prevention	692,165	143,821
Training & Education	170,475	164,450
Technical & Subscription Services	113,576	84,847
General & Administrative	492,010	407,600
Depreciation & Amortization	289,914	238,491
TOTAL OPERATING EXPENSES	\$16,477,993	\$14,416,629
TOTAL OPERATING INCOME	\$3,324,572	\$3,114,380
OTHER INCOME (EXPENSE)		
Interest Income	\$2,316,502	\$888,980
Unrealized (Loss) on Investments	1,299,247	(1,428,936)
Change in Equity in GEM	(398,810)	306,989
Interest Expense	(1,138)	(5,686)
TOTAL OTHER INCOME (EXPENSE)	\$3,215,802	\$(238,653)
TOTAL CHANGE IN NET POSITION	\$6,540,674	\$2,875,727
NET POSITION, JANUARY 1	\$44,160,666	\$41,284,939
NET POSITION, ENDING OF THE YEAR	\$50,701,039	\$44,160,666

These interim financial statements have not been audited.

2023 COMPARATIVE STATEMENT OF CASH FLOWS

As of December 31, 2023

For the years ended December 31,

2023

2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Member assessments	\$18,251,603	\$17,770,708
Cash from Members and others	35,914	172,517
Cash paid for claims	(7,799,970)	(7,218,374)
Cash paid for excess/reinsurance	(6,285,212)	(4,304,097)
Cash paid for employee wages and benefits	(1,974,134)	(1,729,371)
Cash paid for contracted services	(510,102)	(347,791)
Cash paid for general and administrative expenses	(2,920,405)	(1,088,511)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$(1,202,306)	\$3,255,081
CASH FLOWS FROM CAPITAL ACTIVITIES		
Cash paid to acquire or improve capital assets	\$(45,311)	\$(216,750)
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	\$(45,311)	\$(216,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from long-term investments	\$(15,000,000)	- 0
Cash from interest on investments	1,919,064	\$(596,250)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$(13,080,936)	\$(596,250)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$(14,328,553)	\$2,442,081
BALANCES - BEGINNING OF THE YEAR	\$61,929,881	\$59,487,800
BALANCES - ENDING OF THE YEAR	\$47,601,328	\$61,929,881

These interim financial statements have not been audited.

2023 DEPARTMENT OF ENTERPRISE SERVICES SCHEDULE OF EXPENSES

As of December 31, 2023

For the years ended December 31,

2023

2022

OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,477,556	\$7,000,171
Insurance Services		
Purchased Insurance - Liability	\$2,071,602	\$2,027,728
Purchases Insurance - Property	2,447,515	2,046,669
Other Insurance Products	484,626	411,021
TOTAL INSURANCE SERVICES	\$ 5,003,743	\$4,485,417
CONTRACTED SERVICES		
Actuarial	\$175,500	\$92,750
Audit Expenses	21,777	11,064
Brokerage Fees	101,200	101,200
Legal Fees	80,511	66,648
State Risk Manager	7,325	2,930
Accounting Services	11,987	10,215
IT Services	60,997	50,767
Other Consultant Fees	68,665	10,943
TOTAL CONTRACTED SERVICES	\$527,963	\$346,517
GENERAL & ADMINISTRATIVE EXPENSES		
Payroll & Benefits	\$1,710,591	\$1,545,315
Risk & Loss Prevention	692,165	143,821
Training & Education	170,475	164,450
Technical & Subscription Services	113,576	84,847
Board Expenses	231,930	179,481
Staff Travel & Professional Development	132,047	104,082
Occupancy	75,641	66,536
Administrative	52,392	57,501
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$3,178,817	\$2,346,033
DEPRECIATION & AMORTIZATION	\$ 289,914	\$238,491
TOTAL OPERATING EXPENSES	\$16,477,993	\$14,416,629

These interim financial statements have not been audited.

CLAIMS DEVELOPMENT INFORMATION

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)	For the years ended December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1. Member contribution and investment revenues										
Gross	11,785	12,521	13,198	14,779	15,932	17,842	16,437	16,267	18,457	22,951
Ceded	2,206	1,999	2,150	2,215	2,324	2,573	3,252	3,664	4,074	4,519
Net earned	9,579	10,522	11,048	12,564	13,608	15,269	13,185	12,603	14,383	18,432
2. Unallocated operating expenses	2,500	3,058	3,142	2,735	2,781	2,983	2,880	3,163	3,111	3,334
3. Estimated losses & expenses end of policy year										
Incurred	7,047	5,764	5,395	8,106	9,068	8,998	5,969	6,094	7,711	12,580
Ceded	408	521	547	361	837	788	804	759	928	1,424
Net Incurred	6,639	5,243	4,848	7,745	8,231	8,210	5,165	5,335	6,783	11,156

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

2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

4. Paid (cumulative) as of:										
End of policy year	983	1,086	805	1,870	1,115	1,097	773	1,010	1,091	1,063
One year later	2,050	2,270	2,056	2,819	2,808	2,633	1,383	1,743	3,302	
Two years later	3,815	4,814	3,231	3,344	3,805	3,758	2,180	2,064		
Three years later	5,730	5,662	3,878	4,235	5,247	6,714	2,664			
Four years later	5,993	6,267	4,105	5,006	6,801	7,850				
Five years later	6,020	6,644	4,114	5,075	9,212					
Six years later	6,023	6,674	4,132	5,253						
Seven years later	6,041	6,675	4,132							
Eight years later	6,039	6,675								
Nine years later	6,038									
5. Re-estimated ceded losses & expenses	3,090	1,118	29	39	5,033	103	107	420	1,044	
6. Re-estimated net incurred claims and expenses:										
End of policy year	7,047	5,764	5,395	8,106	9,068	8,998	5,969	6,094	7,711	
One year later	7,640	5,735	6,214	6,605	8,337	10,215	5,716	5,067	7,389	
Two years later	7,340	7,320	5,668	6,170	8,794	10,035	4,618	4,318		
Three years later	6,470	9,868	4,691	6,603	9,100	9,692	3,344			
Four years later	6,262	7,725	4,286	5,994	11,148	8,826				
Five years later	6,145	7,444	4,221	5,868	9,857					
Six years later	6,062	6,718	4,148	5,318						
Seven years later	6,065	6,689	4,145							
Eight years later	6,039	6,686								
Nine years later	6,038									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year	(601)	1,443	(703)	(2,427)	1,626	616	(1,821)	(1,018)	606	(11,156)

2023 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 2023 winners are based on claims data for 2018–2022:

Ben Franklin 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 was one award given out in 2023:

Vanessa Walsh, Ben Franklin Transit.

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 2023, WSTIP awarded a combined total of \$6,000 in scholarships to the following individuals:

Agustin Ortega, Everett Transit
Cheri Huxtable, Clallam Transit
Nathan Groh, Pierce Transit
Shawn Brewer, Grays Harbor Transit
Jessica Bennett, Link Transit
Susan Torres, Pierce 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 2023, WSTIP awarded \$1,850 recognizing a total of 8 employees from **Link Transit, Skagit Transit, Spokane Transit Authority and Intercity Transit.**



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