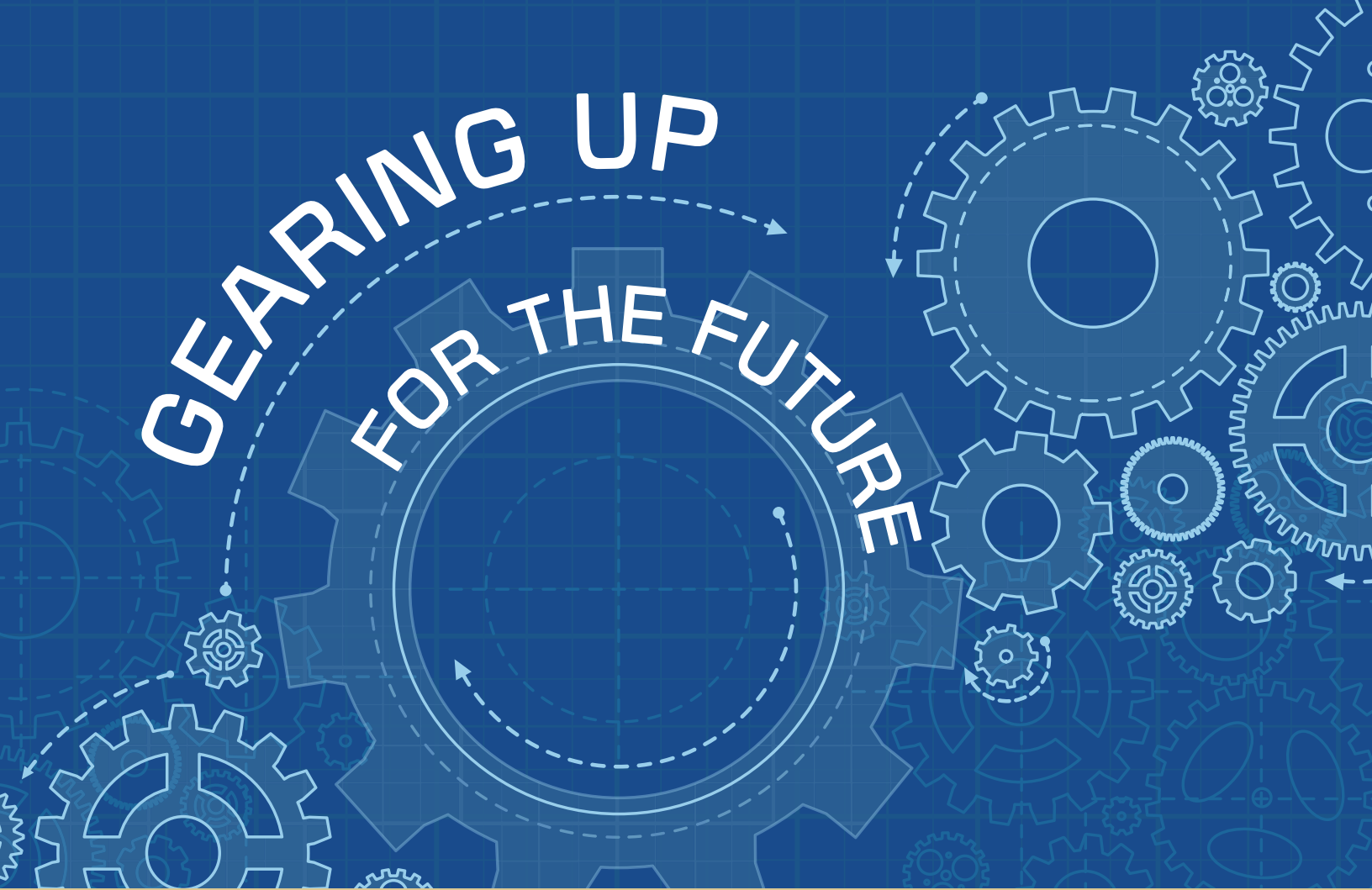




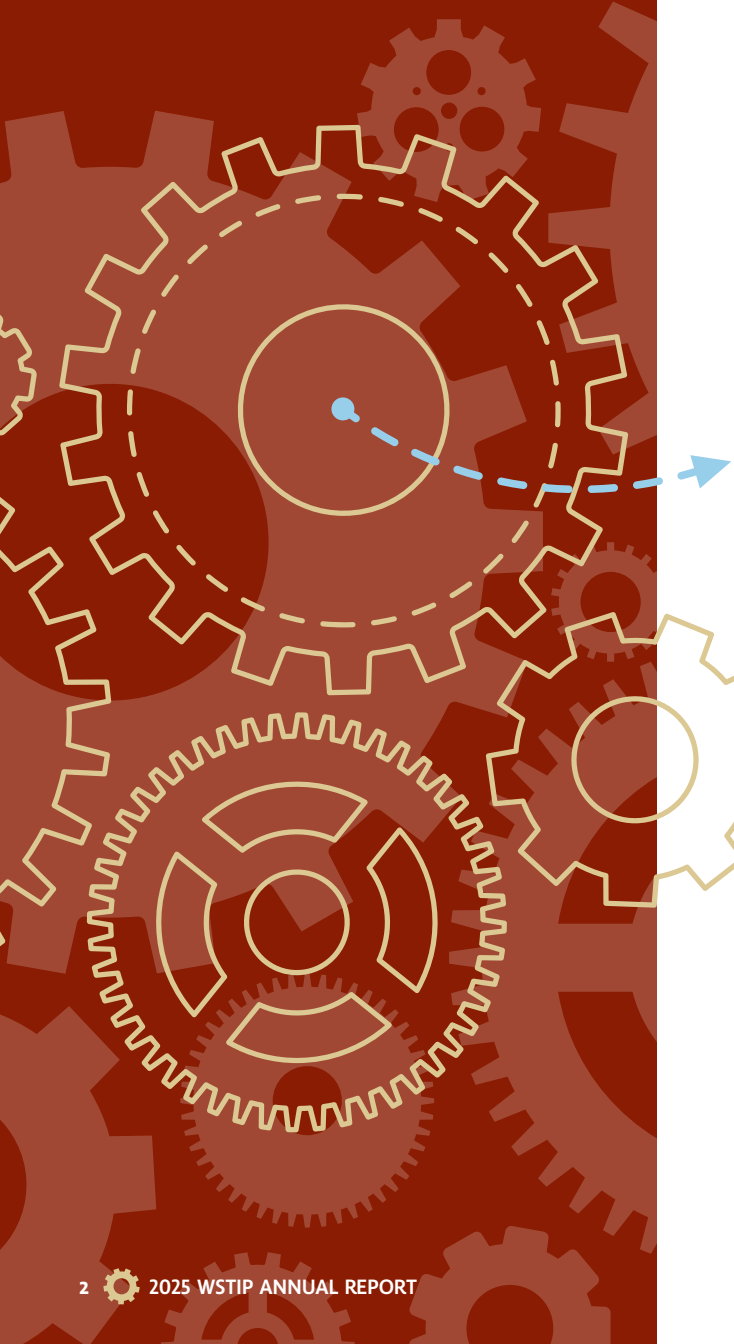
GEARING UP FOR THE FUTURE

2025 Annual Report | WASHINGTON STATE TRANSIT INSURANCE POOL



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Gearing Up for the Future

A MESSAGE FROM

*Joe Macdonald, WSTIP Board President and
Matthew Branson, WSTIP Executive Director.*

IN 2025, WSTIP continued to navigate a landscape defined by change, challenge, and opportunity. Like last year, market conditions, operational shifts, and governance developments demanded thoughtful responses and strong collaboration. What distinguished this year was not simply the volume of change, but the intentional way the Board, Executive Committee, and Staff addressed it — seeking not just to react, but to prepare WSTIP and its Members for the future.

In 2025, Tracey Christianson announced her retirement from WSTIP. We celebrate and honor Tracey for her 24-year career with WSTIP where she served as the Member Services Manager, Deputy Director and as WSTIP's Executive Director these past seven years. Tracey provided us with plenty of notice to start a recruitment process that began with an Executive Director Search Advisory Committee (EDSAC) who was supported by WSTIP general counsel Rick Hughes and an outside



consulting firm to conduct the recruitment. This was not just about filling a position; it was about shaping leadership that aligns with the expectations the Members have for WSTIP's future. The search concluded with the Board of Directors hiring Matthew Branson as WSTIP's Executive Director. For the past four years Matthew had been WSTIP's Deputy Director and prior to that he was WSTIP's Member Services Manager.

Change in staffing aside, equally significant were the changes within the Board and committee leadership. New representatives, leadership rotations, and the appointment of vice presidents contributed fresh perspectives while reinforcing succession readiness as a priority. These changes were supported by updated governance documentation, ensuring continuity and clarity as we move forward.

This year's governance focus extended to structural risk decisions, including beginning conversations that examined separated deductibles for property and vehicle exposures, expanded coverage options, parametric risk considerations, and continued refinement of our cyber and auto physical damage layers. These discussions reflect the reality that insurance markets are shifting and that standing still is not an option.

Alongside strategic coverage considerations, we also strengthened our internal capacity to meet evolving Member needs. Rather than responding to volume alone, conversations around staff expansion focused on future readiness and service quality. Deliberations about adding positions such as a senior accountant and a claims specialist were rooted in the understanding that capacity enables excellence in financial reporting, claims

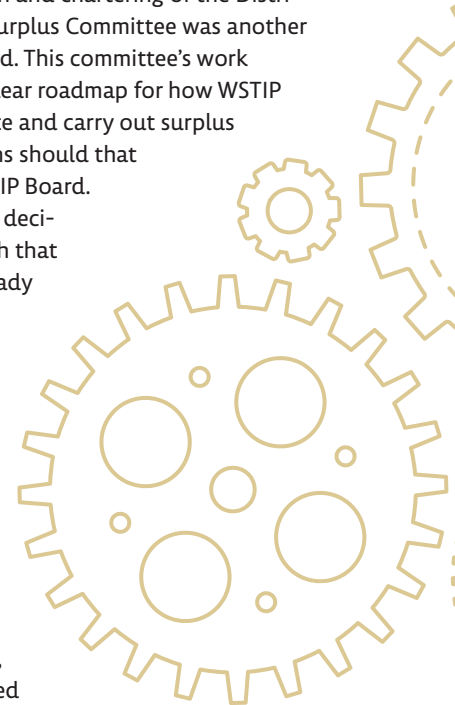
This growth is not simply headcount, it is capability, stability, and a commitment to serving Members with greater depth and consistency.

management, loss prevention, and responsiveness at critical junctures. This growth is not simply headcount, it is capability, stability, and a commitment to serving Members with greater depth and consistency. In 2025, we added a new reinsurance partner, Safety National, to our program as we sought to provide the coverage limits at the most reasonable cost. We also discussed the possibility of exploring forming a Captive to give us more options in a hardening insurance market, a topic for the Members to review in 2026.

The creation and chartering of the Distribution of Surplus Committee was another step forward. This committee's work created a clear roadmap for how WSTIP will evaluate and carry out surplus distributions should that

be a decision of some future WSTIP Board. Their work laid out the steps and decision points so that when we reach that moment, the path forward is already mapped out and ready to follow; These efforts exemplify how we are building systems today that will matter tomorrow.

On the operational side, Member-facing tools and programs continued to advance. Technology grants seeded innovation in data analytics and operational practices. Expanded best practices, training initiatives, and compliance support reinforced



risk reduction as more than a goal, it became an action plan that contributed to stronger Member operations across Washington State. None of this happened without consistent deliberation and oversight. Quarterly Board meetings, monthly Executive Committee sessions, and significant subcommittee work kept focus on financial health, risk trends, audit matters, governance policies, and strategic objectives. These forums ensure that change is considered through many lenses before decisions are made.

Looking ahead to 2026, our theme is not simply change for change's sake, rather it is direction with conviction. We have a new Executive Director, a refreshed leadership framework, enhanced operational capacity, and a risk financing strategy that is more resilient than ever. The emerging challenges of cyber exposure, catastrophic weather events, social inflation, and insurance market contraction continue to require WSTIP to be proactive in

We have a new Executive Director, a refreshed leadership framework, enhanced operational capacity, and a risk financing strategy that is more resilient than ever.

response. The good news is that we have been preparing for years—and we will continue to build on that foundation.

To the Board, our Executive Committee, committee volunteers, agency leadership, and WSTIP staff: we thank you for your thoughtful engagement, your steady commitment to Members, and your partnership in advancing the mission of WSTIP.

The success of this year is a reflection of disciplined governance, collaborative problem-solving, and a shared commitment to safeguarding public transit agencies across the state.

We will continue to adapt with purpose, plan ahead with clarity, and make decisions that keep WSTIP not just relevant, but resilient.



*Joe Macdonald,
WSTIP Board President*



*Matthew Branson,
WSTIP Executive Director*



2026 BOARD OF DIRECTORS

AS OF 12-31-2025

Asotin County PTBA

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

Ben Franklin Transit

Thomas Drozt, Chief Executive Officer
Alt: Marcus McCready, Director of Safety & Training

Central Transit

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

Clallam Transit

Cherie Huxtable, Finance Manager
Alt: Jason McNickle, General Manager

Columbia County Public Transportation

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

Community Transit

Cyndie Eddy, Finance Manager
Alt: Ariel Piedmont, Manager of Environmental Health & Safety
Alt: Sally Stopher, Deputy Chief Financial Officer

C-Tran

Scott Deutsch, Director of Safety & Risk
Alt: Annette Shaw, Chief Operating Officer

Everett Transit

Michael Schmieder, Transportation and Transit Services Director
Alt: Leah Tocco, Risk Manager
Alt: Brandon Hilby, Finance & Budget Coordinator

Grant Transit

Brandy Pesta, 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: Melinda Adams, 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

Joe Clark, Director
Alt: Mike Williams, Clerk of the Board
Alt: Rebecca Towner, Director of Finance & HR

Pierce Transit

Amy Cleveland, Chief Administrative Officer
Alt: Karessa Bowman, Risk Manager
Alt: Chris Schuler, Chief Financial Officer
Alt: Danette Rogers, Finance Manager

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 and Training
Alt: Crystle Stidham, Chief Executive Officer
Alt: Jennifer Davidson, Director of Human Resources

Spokane Transit

Robert Hamud, Chief Financial Officer
Alt: Nancy Williams, Director of Human Resources and Labor Relations
Alt: Brandon Rapez-Betty, Chief Operations Officer

Valley Transit

Angie Peters, General Manager
Alt: Melanie Hall, Finance Manager
Alt: Lowell Nee, Operations Manager

Whatcom Transportation Authority

Jeff Benson, Safety & Risk Director
Alt: Les Reardanz, General Manager
Alt: Shonda Shipman, Director of Finance

Yakima Transit

Greg Story, Transit Assistant Manager
Alt: Jim Hogenson, Transit Manager
Alt: Scott Schafer, Public Works Director

2025 STAFF MEMBERS

Tracey Christianson, Executive Director/Matthew Branson, Executive Director

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

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.

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.

Jinny Hughes, Accounting Specialist/Sonja Cade, Accounting Specialist

Responsible for payroll, accounts receivable, accounts payable, prepares financial documents, helps coordinate the annual budget and provides administrative support to Deputy Director.

Dominic Burrell, Senior Accountant

Responsible for fiscal operations. Assists with all aspects of data management, collection, and analysis for usage in underwriting, risk management and claims management.

Joanne Kerrigan, Members Services Manager

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

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.

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.

Patrick Nickell, Pool Application Support Specialist

Provides Origami Risk system support to Members including the development of customized Member solutions. Supports staff including help desk related tasks.

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.

Valerie McAfee, Claims Specialist 3

Responsible for administering the various employment practice and auto liability, un/underinsured motorist, medical-pay, and auto physical damage claims, as well as adjusting the same and serving as Litigation Manager on litigated files. Recovers damages, on behalf of the members, from other parties incurred during auto accidents (aka subrogation). Directs staff and external adjustment of claims.

Robyn Galindo, Claims Specialist 2

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). Directs staff and external adjustment of claims.

John Cushing, Claims Specialist 2

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). Directs staff and external adjustment of claims.

Alyssa Zahir, Claims Specialist 1 and Administrative Assistant

Reviews Events and adjusts claims. Performs support functions for the department including monitoring the database and claim files, assists with data-entry of initial claims, and manages and maintains diaries for multiple claims. Performs general support for all staff.



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: Opshal Dawson – Lacey, WA
TREASURY SERVICES: Thurston County Treasurer – Olympia, WA
INVESTMENTS: Office of the State Treasurer – Olympia, 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 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 2025 winners are based on claims data for 2020 – 2024:

- **Community Transit**
- **Island Transit**
- **Pacific Transit**

Above & Beyond Award

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

There were no submissions for this award in 2025.

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 2025, WSTIP awarded a combined total of \$4,000 in scholarships to the following individuals:

- **Dominic Burrell, WSTIP**
- **Amber Shearer, Ben Franklin Transit**
- **Rolisha Rhodes, Ben Franklin Transit**
- **Nicole Gauthier, Jefferson Transit Authority**

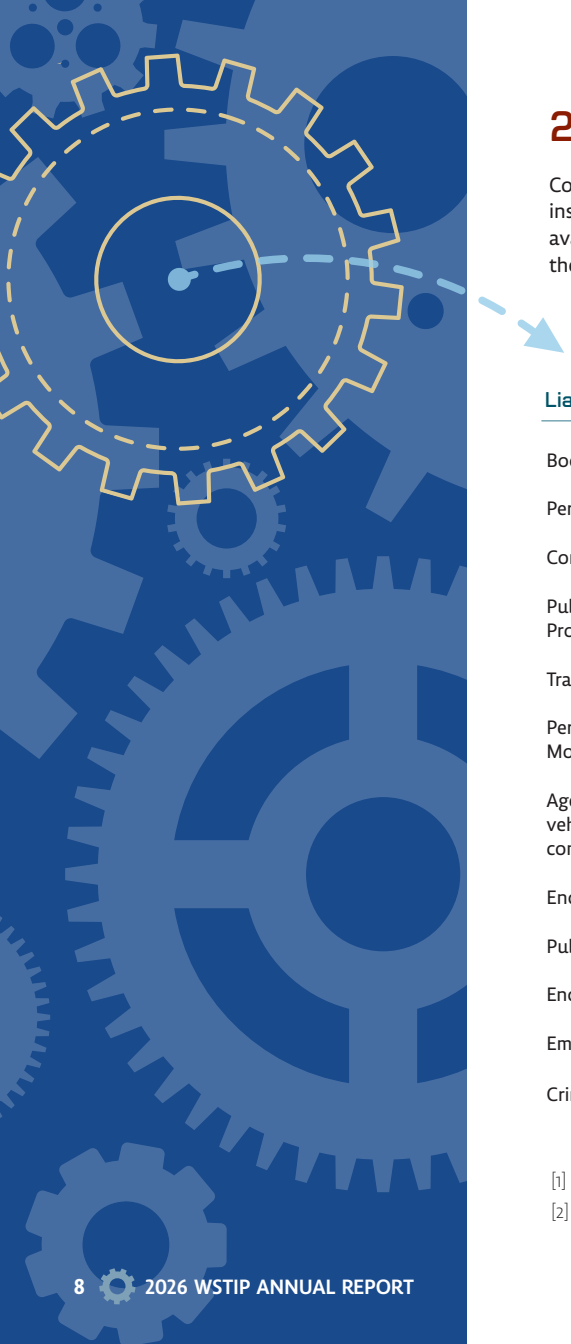
These scholarships are available to WSTIP Member employees pursuing education and training that furthers the vision, mission, ethical practices, safety and/or reduction of the cost of risk for public transportation in Washington State.

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 2025, WSTIP awarded \$1,425 recognizing a total of nine employees from **Spokane Transit Authority, Skagit Transit, Link Transit, Kitsap Transit, Island Transit, and Grays Harbor Transit.**

2025 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	\$1.5 million	\$25 million
Personal Injury & Advertising Injury	No deductible	\$1.5 million	\$25 million
Contractual Liability	No deductible	\$1.5 million	\$25 million
Public Rideshare Driver Medical Expense Protection (PRDMEP) ^[1]	No deductible	\$35,000	None
Transit Rider Medical Expense Protection	No deductible	\$15,000	None
Permissive Use of a Member-Owned Motor Vehicle	No deductible	[2]	None
Agency, rental, and personal/private vehicle occupants not covered by workers' compensation or transit passengers	No deductible	[2]	None
Endorsement - Communicable Disease	No deductible	\$500,000	\$1.5 million
Public Officials Errors and Omissions	\$5,000	\$1.5 million	\$25 million
Endorsement - Violations of Wage & Hours Laws	\$25,000	\$250,000	None
Employment Practice Liability	\$5,000	\$1.5 million	\$25 million
Crime/Blanket Employee Dishonesty	\$10,000	None	\$2 million

[1] PRDMEP is mandatory for all rideshare programs and the Member may elect to purchase TRMEP on any mode.

[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 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 less than 10 years old	Varies by Member ⁵	\$250,000	Replacement cost, up to \$1.75 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 2025 were: Spokane Transit \$10,000; Pierce Transit \$25,000; all other Members \$5,000.

[6] Annual Aggregate

	Member Deductibles	Self-Insured Retention	Reinsurance/ Excess Limits
Cyber Liability⁷			
Cyber Liability	\$5,000	None	\$75 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*
Dependent Business Loss Resulting from Security Breach	\$5,000	None	\$750,000*
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	\$200,000*
Claims Prep Cost for Reputational Loss Claims Only	\$5,000	None	\$50,000*
Computer Hardware Replacement Costs	\$5,000	None	\$200,000*
Invoice Manipulation	\$5,000	None	\$100,000*
Cryptojacking	\$5,000	None	\$50,000*

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

* per Member aggregate

** the \$75M applies to all insureds that purchase the policy

INSURANCE CONTRACTS

COVERAGE	CARRIER	LAYER
Liability	GEM Re	\$3.5 million in excess of \$1.5 million
	Safety National	\$5 million in excess of \$5 million
	Munich Re	\$5 million in excess of \$10 million
	StarStone	\$5 million in excess of \$15 million
	Allied World Assurance Company	\$5 million in excess of \$20 million
Crime	National Union Fire	\$2 million
Blanket Pollution	Beazley Eclipse	\$5 million
Underground Storage Tank (UST)	Liberty Surplus Insurance Company	\$1 million per storage tank incident \$8 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 Insurance Company	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*
	Burlington Insurance Company	\$20 million*
Cyber Liability	Alliant Public Entity Property Program (APIP)	\$75 million aggregate for all insureds/Members combined \$2 million aggregate per Member
	Varies	\$2 million in excess of \$2 million***

* \$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.

*** Members may elect to purchase/participate in additional excess cyber and e-crime coverage.
Coverage through one of four carriers.

2025 CONDENSED COMPARATIVE FINANCIAL DATA

As of December 31, 2025*

	2025	2024	2023
ASSETS			
Current Assets	\$49,656,479	\$44,136,561	\$54,996,219
Capital Assets, Net	1,288,742	1,671,931	1,866,515
Noncurrent Assets	42,666,133	40,271,726	18,815,831
TOTAL ASSETS	\$93,611,354	\$86,080,218	\$75,678,566
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	456,212	421,419	310,832
Deferred Outflows - OPEB	158	1,703	1,597
TOTAL DEFERRED OUTFLOWS	\$456,370	\$ 423,122	\$ 312,429
TOTAL ASSETS & DEFERRED OUTFLOWS	\$94,067,724	\$86,503,340	\$75,990,995
LIABILITIES			
Current Liabilities	10,844,959	10,688,239	8,561,350
Noncurrent Liabilities	20,129,191	21,824,239	16,510,856
TOTAL LIABILITIES	\$30,974,150	\$32,512,478	\$25,072,205
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	109,869	133,676	217,750
TOTAL LIABILITIES & DEFERRED INFLOWS	\$31,084,019	\$32,646,154	\$25,289,955
NET POSITION			
Investment in Capital Assets	1,288,742	1,671,931	2,043,766
Restricted Pension Asset	359,560	307,735	308,074
Unrestricted Net Position	61,335,404	51,877,520	48,349,199
TOTAL NET POSITION	\$62,983,706	\$53,857,186	\$50,701,039
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$94,067,724	\$86,503,340	\$75,990,995

*These interim financial statements have not been audited.

As of December 31*

	2025	2024	2023
OPERATING REVENUES			
Member Assessments (All Types)	\$26,849,118	\$22,453,312	\$19,734,117
Other Operating Revenues	140,607	345,949	68,448
TOTAL OPERATING REVENUES	\$26,989,725	\$22,799,261	\$19,802,565
OPERATING EXPENSES			
Claims & Loss Adjustments	7,793,928	13,075,591	7,477,556
Insurance Services	9,317,518	6,887,432	5,003,743
General & Administrative	4,750,403	3,791,433	3,996,693
TOTAL OPERATING EXPENSES	\$21,861,848	\$23,754,456	\$16,477,993
TOTAL OPERATING INCOME (LOSS)	\$5,127,877	\$(955,195)	\$3,324,572
OTHER INCOME (EXPENSE)			
Other Income (Expense)	\$3,998,643	\$4,111,342	\$3,215,802
TOTAL OTHER INCOME (EXPENSE)	\$3,998,643	\$4,111,342	\$3,215,802
TOTAL CHANGE IN NET POSITION	\$9,126,520	\$3,156,147	\$6,540,374

*These interim financial statements have not been audited.

2025 COMPARATIVE STATEMENT OF NET POSITION

For the years ended
December 31*

As of December 31*

	2025	2024		2025	2024
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Deposits and Investments	\$41,445,956	\$36,049,430	Accounts Payable	\$604,981	\$250,860
Accounts Receivable	11,248	58,244	Compensated Absences	198,921	203,458
Due from Members	241,709	460,532	Due to Members	370,845	454,463
Interest Receivable	46,325	45,808	Subscription Liability	334,930	341,483
Prepaid Insurance	7,808,711	7,438,337	Unearned Revenues	253,966	404,568
Prepaid Expense	102,530	84,210	Unpaid Claims Liability	9,081,000	9,030,000
TOTAL CURRENT ASSETS	49,656,479	44,136,561	Total OPEB Liability	316	3,407
NONCURRENT ASSETS			TOTAL CURRENT LIABILITIES	10,844,959	10,688,239
Capital Assets, Net	1,288,742	1,671,931	NONCURRENT LIABILITIES		
Long-Term Investments	38,770,536	36,757,627	Compensated Absences	37,707	33,559
Due from Members	673,749	241,709	Due to Members	132,365	370,845
Equity in Governmental Entities Mutual	2,862,288	2,964,655	Subscription Liability	637,253	972,184
Deposits Held For Risk Pool Leadership	—	—	Due to Risk Pool Leadership	—	—
Net Pension Assets	359,560	307,735	Unpaid Claims Liability - Reserves	7,962,938	10,013,824
TOTAL NONCURRENT ASSETS	43,954,875	41,943,657	Unpaid Claims Liability - IBNR	9,886,626	8,873,588
TOTAL ASSETS	\$93,611,354	\$86,080,218	Unpaid Claims Liability - ULAE	1,150,000	1,100,000
DEFERRED OUTFLOWS OF RESOURCES			Total OPEB Liability	236,506	332,324
Deferred Outflows - Pension	456,212	421,419	Net Pension Liability	85,796	127,915
Deferred Outflows - OPEB	158	1,703	TOTAL LONG-TERM LIABILITIES	20,129,191	21,824,239
TOTAL DEFERRED OUTFLOWS	\$ 456,370	\$ 423,122	TOTAL LIABILITIES	\$30,974,150	\$32,512,478
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 94,067,724	\$86,503,340	DEFERRED INFLOWS OF RESOURCES		
			Deferred Inflows - Pension	109,869	133,676
			TOTAL LIABILITIES & DEFERRED INFLOWS	\$31,084,019	\$32,646,154
			NET POSITION		
			Investment in Capital Assets	1,288,742	1,671,931
			Restricted Pension Asset	359,560	307,735
			Unrestricted Building Reserve	—	—
			Unrestricted Technology Grant Reserve	—	—
			Unrestricted Net Position	61,335,404	51,877,520
			TOTAL NET POSITION	\$62,983,706	\$53,857,186
			TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$94,067,724	\$86,503,340

*These interim financial statements have not been audited.

2025 COMPARATIVE STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

For the years ended
December 31*

As of December 31*

	2025	2024
OPERATING REVENUES		
Member Assessments	\$25,161,017	\$21,478,249
Other Insurance Products	1,146,717	1,104,199
Performance Period Assessment Audit (PPAA)	541,384	(129,136)
Other Operating Revenues	140,607	345,949
TOTAL OPERATING REVENUES	\$26,989,725	\$22,799,261
OPERATING EXPENSES		
Claims & Loss Adjustments	7,793,928	13,075,591
Purchased Insurance - Liability	5,543,374	3,156,877
Purchased Insurance - Property	2,984,765	2,845,914
Other Insurance Products	789,378	884,642
Payroll & Benefits	2,043,593	2,003,574
Contracted Services	575,197	478,148
Risk & Loss Prevention	846,601	216,187
Training & Education	162,086	184,656
Technical & Subscription Services	187,701	98,915
General & Administrative	552,035	486,903
Depreciation & Amortization	383,189	323,049
TOTAL OPERATING EXPENSES	\$21,861,848	\$23,754,456
TOTAL OPERATING INCOME (LOSS)	\$5,127,877	\$(955,195)
OTHER INCOME (EXPENSE)		
Interest Income	\$3,591,893	\$3,428,339
Unrealized (Loss) on Investments	519,707	130,156
Change in Equity in GEM	(102,367)	552,846
Interest Expense	(10,590)	—
TOTAL OTHER INCOME (EXPENSE)	\$3,998,643	\$4,111,342
TOTAL CHANGE IN NET POSITION	\$9,126,520	\$3,156,147
NET POSITION, BEGINNING OF THE YEAR	\$53,857,186	\$50,701,039
NET POSITION, ENDING OF THE YEAR	\$62,983,706	\$53,857,186

*These interim financial statements have not been audited.

2025 COMPARATIVE STATEMENT OF CASH FLOWS

For the years ended
December 31*

As of December 31*

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Member assessments	\$26,172,352	\$21,869,540
Cash from Members and others	251,520	2,643,368
Cash paid for claims	(8,730,776)	(5,105,630)
Cash paid for excess/reinsurance	(9,527,101)	(9,266,450)
Cash paid for employee wages and benefits	(2,337,272)	(2,072,160)
Cash paid for contracted services	(979,030)	(504,364)
Cash paid for general and administrative expenses	(1,199,783)	(1,192,188)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$3,649,910	\$6,372,116
CASH FLOWS FROM CAPITAL ACTIVITIES		
Cash paid to acquire or improved capital assets	—	(13,745)
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	—	\$(13,745)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash to long-term investments	—	\$(20,000,000)
Cash from interest on investments	1,746,617	2,089,730
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$1,746,617	\$(17,910,270)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$5,396,527	\$(11,551,899)
BALANCES - BEGINNING OF THE YEAR	\$36,049,430	\$47,601,328
BALANCES - ENDING OF THE YEAR	\$41,445,956	\$36,049,430

*These interim financial statements have not been audited.

2025 DEPARTMENT OF ENTERPRISE SERVICES SCHEDULE OF EXPENSES

For the years ended
December 31*

	2025	2024
OPERATING EXPENSES		
Claims & Loss Adjustments	\$7,793,928	\$13,075,591
Insurance Services		
Purchased Insurance - Liability	\$5,543,374	\$3,156,877
Purchases Insurance - Property	2,984,765	2,845,914
Other Insurance Products	789,378	884,642
TOTAL INSURANCE SERVICES	\$9,317,518	\$6,887,432
CONTRACTED SERVICES		
Actuarial	\$115,300	\$168,000
Audit Expenses	22,395	15,273
Brokerage Fees	101,200	101,200
Legal Fees	108,491	77,106
State Risk Manager	11,720	11,720
Accounting Services	10,300	10,271
IT Services	117,223	68,826
Other Consultant Fees	88,568	25,751
TOTAL CONTRACTED SERVICES	\$575,197	\$478,148
GENERAL & ADMINISTRATIVE EXPENSES		
Payroll & Benefits	\$2,043,593	\$2,003,574
Risk & Loss Prevention	846,601	216,187
Training & Education	162,086	184,656
Technical & Subscription Services	187,701	98,915
Board Expenses	233,003	255,469
Staff Travel & Professional Development	168,870	130,268
Occupancy	68,861	60,402
Administrative	81,301	40,764
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$3,792,016	\$2,990,236
DEPRECIATION & AMORTIZATION	\$383,189	\$289,914
TOTAL OPERATING EXPENSES	\$21,861,848	\$23,721,321

*These interim financial statements have 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1. Member contribution and investment revenues										
Gross	13,198	14,779	15,932	17,842	16,437	16,267	18,457	22,951	26,434	0
Ceded	2,150	2,215	2,324	2,573	3,252	3,664	4,074	4,519	6,003	0
Net earned	11,048	12,564	13,608	15,269	13,185	12,603	14,383	18,432	20,431	0
2. Unallocated operating expenses										
	3,142	2,735	2,781	2,983	2,880	3,163	3,111	3,334	3,651	3,854
3. Estimated losses & expenses end of policy year										
Incurred	5,395	8,106	9,068	8,998	5,969	6,094	7,711	12,580	12,530	10,724
Ceded	547	361	837	788	804	759	928	1,424	2,243	2,033
Net Incurred	4,848	7,745	8,231	8,210	5,165	5,335	6,783	11,156	10,287	8,691

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
4. Paid (cumulative) as of:										
End of policy year	805	1,870	1,115	1,097	773	1,010	1,091	1,063	1,680	1,358
One year later	2,056	2,819	2,808	2,633	1,383	1,743	3,302	2,816	4,493	
Two years later	3,231	3,344	3,805	3,758	2,180	2,064	3,623	5,947		
Three years later	3,878	4,235	5,247	6,714	2,664	2,669	4,022			
Four years later	4,105	5,006	6,801	7,850	2,702	3,054				
Five years later	4,114	5,075	9,212	8,500	3,297					
Six years later	4,132	5,253	9,272	8,501						
Seven years later	4,132	5,254	9,322							
Eight years later	4,132	5,251								
Nine years later	4,132									
5. Re-estimated ceded losses & expenses	14	19	5,002	50	39	277	689	3,347	1,151	
6. Re-estimated net incurred claims and expenses:										
End of policy year	5,395	8,106	9,068	8,998	5,969	6,094	7,711	12,580	12,530	
One year later	6,214	6,605	8,337	10,215	5,716	5,067	7,389	14,022	11,929	
Two years later	5,668	6,170	8,794	10,035	4,618	4,318	6,496	13,049		
Three years later	4,691	6,603	9,100	9,692	3,344	4,453	5,684			
Four years later	4,286	5,994	11,148	8,826	3,258	3,830				
Five years later	4,221	5,868	9,857	8,620	3,557					
Six years later	4,148	5,318	9,780	8,599						
Seven years later	4,145	5,264	9,501							
Eight years later	4,139	5,292								
Nine years later	4,145									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year	(703)	(2,453)	1,270	389	(1,608)	(1,506)	(1,100)	1,893	1,641	(8,691)



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