

# **The Art of Shared Vision**

**2019 ANNUAL REPORT**



**WASHINGTON STATE TRANSIT INSURANCE POOL**

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# The Art of Shared Vision

A MESSAGE FROM 2019 PRESIDENT OF THE BOARD STACI JORDAN

**S**everal of us attended the Museum of Glass the day before the annual Board Meeting. While there, we not only enjoyed building relationships that are important to Pooling but also many creative works of art. We had the opportunity to attend a Hot Shop studio session where a team of individuals worked in collaboration to create glass art based on a shared vision. While the team worked with excellence, applying individual skills in specialized ways, what emerged was a stunning work of art that will be displayed under the name of one individual—the artist.

This had me thinking about the work of WSTIP. I see a team of Board members and Pool staff working with excellence, applying individual skills in specialized ways—to benefit Pool members. I also see us carrying forward a shared vision of what WSTIP is. As is the case with all art there are two meanings: the intended meaning from the creative artist(s) and the interpretive meaning of those viewing the art.

In 2019, the Washington State Transit Insurance Pool celebrated 30 years of operations. It was a year where Board members and Pool staff

spent time interpreting and finding new meaning in our organization’s “artwork.”

One area of new meaning came as a result of a capital funding philosophy policy.

## ADOPTION OF CAPITAL FUNDING PHILOSOPHY POLICY

Prior financial target policies rightly focused on reducing reliance upon the insurance marketplace and sought to position the Pool for independence from the market. The Board previously expressed a belief that market independence would be reached when the Pool had the net position to support a \$5 million self-insurance retention (SIR).

Reaching market independence remains a goal but how we approach attaining that goal changed with the adoption of the Capital Funding Philosophy policy. The emphasis shifted from a conversation about SIR to the importance of Net Position relative to funding targets.

The Board maintains a long-term goal of independence from the volatility associated with the insurance market yet now recognizes the Pool cannot “jump” to independence but rather incrementally “march” to it. We maintain the goal to fund the Pool by bringing the Pool’s net position within target ranges at current SIR

levels while also attempting to anticipate the Pool's next retention level.

What we learned by doing this capital funding work is that there is plenty of room for shared vision and creation. While not art per se, we established new meaning for a generation of leaders committed to long-term financial success of the Pool.

We also had the opportunity to work in collaboration with the WSTIP staff to create a shared vision on WSTIP's plan for continuity of operations.

### **CREATION OF BUSINESS CONTINUITY PLAN**

Continuity planning is often two-fold: people and continuity of operations. Over the years the Board adopted policy related to succession planning for people with focus on identifying critical needs and potential successors for mission-critical roles.

This year WSTIP developed and implemented a Business Continuity Plan (BCP) to prepare WSTIP for potential significant interruptions of business operations. The plan takes into consideration that the WSTIP corporate office may not be inhabitable during an interruption and it outlines important actions to minimize extended operational interruptions. The goal of the plan is to implement preventive measures that minimize

operational disruptions and that serve in a recovery and restoration of normal operations.

Having a BCP and using a plan are two different things. The WSTIP staff will exercise or test the plan on an annual basis. The test(s) may be in the form of a walk-through, mock disaster or component testing. At least one test will include a closure of the office where staff are required to work remotely to determine plan viability and staff's

ability to navigate normal business operations without the inherent stress that accompanies a disaster.

The BCP was presented to the WSTIP Executive Committee, will be reviewed annually and will be the subject of a full plan review every three years. I am grateful that WSTIP has a plan to mitigate its operational risk and hope we can avoid circumstances where it would be needed.

Thinking back to the experience at the Museum of Glass, I thank the Board members and each member of the WSTIP staff for applying individual skills in specialized ways. I am grateful to be part of an organization that values and seeks diversity in many ways, but particularly diversity of thought and experience—the sort of experience diversity where anyone, such as a Vanpool Program Coordinator, with the desire to apply and contribute their knowledge and experience can serve as the 2019 Board President. It has been an honor and a privilege to serve you and the Pool.

**I see us carrying forward a shared vision of what WSTIP is...and finding new meaning in our organization's "artwork."**



# 2019 Board of Directors

## **Asotin County PTBA**

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

## **Ben Franklin Transit**

Matthew Branson/Rob Orvis, Interim Director of Administrative Services  
Alt: Jim Thoele, Safety and Security Manager

## **Clallam Transit**

Kevin Gallacci, General Manager  
Alt: Dunele Mason, Finance Manager

## **Columbia County Public Transportation**

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

## **Community Transit**

Geri Beardsley, Director of Administration  
Alt: Emmett Heath, Chief Executive Officer  
Alt: Mike Burrell/Don Burr, Risk Manager

## **C-Tran**

Jim Quintana, Chief of Safety and Security/  
Laura Merry, Deputy Director of Human Resources  
Alt: Scott Deutsch, Manager of Safety

## **Everett Transit**

Tom Hingson, Transportation and Transit Services Director  
Alt: Michael Schmieder, Transit Operations Program Manager  
Alt: Chris Muth-Schulz, Risk Manager

## **Grant Transit**

Brandy Heston, Administrative Services Manager  
Alt: Terry Weed/Greg Wright, General Manager

## **Grays Harbor Transit**

Ken Mehin, General Manager  
Alt: Jean Braaten, Finance Manager

## **Intercity Transit**

Heather Stafford-Smith, Director of Administrative Services  
Alt: Suzanne Coit, Finance Manager  
Alt: Emily Berkamp, Operations Director

## **Island Transit**

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

## **Jefferson Transit**

Sara Crouch, Finance Manager  
Alt: Tammi Rubert, General Manager

## **Kitsap Transit**

Paul Shinnors, Finance Director  
Alt: Brian Rojo, Accounting Supervisor

## **Link Transit**

Nick Covey, Finance Manager  
Alt: Lynn Bourton, Administrative Services Manager

## **Mason Transit**

Danette Brannin, General Manager  
Alt: LeeAnn McNulty, Finance Manager

## **Pacific Transit**

Richard Evans, Director  
Alt: Audrey Olson, Operations/HR Supervisor

## **Pierce Transit**

Amy Cleveland, Executive Director of Administration  
Alt: Bill Kessler, Risk Manager  
Alt: Brett Freshwaters, Executive Director of Finance  
Alt: Kristine Dupille, Employee Services Manager

## **Pullman Transit**

Wayne Thompson, Transit Manager  
Alt: Mike Urban, Finance Director

## **River Cities Transit**

Amy Asher, Transit Manager  
Alt: Jeff Cameron, Public Works Director

## **Skagit Transit**

Joe Macdonald, Safety Supervisor  
Alt: Dale O'Brien, Executive Director

## **Spokane Transit**

Lynda Palmer/Monique Liard, Director of Finance & Information Services  
Alt: Nancy Williams, Director of Human Resources and Labor Relations  
Alt: Mike Toole, Manager Safety and Security  
Alt: E. Susan Meyer, Chief Executive Officer

## **Twin Transit**

Derrick Wojcik-Damers/Joe Clark, General Manager  
Alt: Aaron Rollins, Operations Manager

## **Valley Transit**

Jesse Kinney, Finance & Administration Manager  
Alt: Briana Malmquist, Human Resources Manager  
Alt: Lowell Nee, Operations Supervisor

## **Whatcom Transportation Authority**

Pete Stark, General Manager  
Alt: Shonda Shipman, Director of Finance

## **Yakima Transit**

Agustin Ortega, Operations Specialist  
Alt: Scott Schafer, Public Works Director

# The Year in Review

## A MESSAGE FROM EXECUTIVE DIRECTOR TRACEY CHRISTIANSON

**E**choing our Board President, it really does take a team. The Museum of Glass experience had me reflecting on my role as Executive Director. In some of my interactions I am the “visiting artist” putting on paper a vision of how we can deliver excellence to our Members. In other interactions I am part of a team that seeks to create based on the shared vision of our Board of Directors. The accomplishments of 2019 were made possible due to a willingness to put the Pool first and a selfless dedication to collaborate on achieving a shared vision.

### SHARED VISION PROJECTS

As Staci noted, two important projects in 2019 were the adoption of the Capital Funding Philosophy Policy and the creation of the Business Continuity Plan. I'd like to highlight two additional projects:

#### PARTNERING IN PREVENTION

In 2019 we met with nearly all our members to review loss trends; a presentation entitled Partnering in Prevention. Discussions of loss history can be challenging but our members see this as an opportunity and the dialogue during these presentations has been terrific. From these meetings, members are thoughtfully forming loss mitigation action

plans knowing that WSTIP is here to help them reduce their cost of risk.

#### COVERAGE DOCUMENTS

Also, in the spirit of shared meaning and vision is WSTIP's work on the Coverage Documents. We worked hard on the Public Officials Liability Coverage Document in 2018 and 2019 and the General Liability Coverage Document in 2019. Adoption came in 2019 for the 2020 Coverage Year on both documents. This work started in the Coverage Review Committee, went to the Executive Committee, and then to the Board of Directors. Along the way, the Board made some very significant decisions on what coverage they were offering: including what to do with personal use of vanpool vehicles, Open Public Meeting and Public Records Act coverage, and wage and hour claims.

#### COLLABORATIONS

While many collaborations occurred in 2019, I'd like to highlight three that align with WSTIP's mission to reduce members cost of risk:

#### DRIVER RECORD MONITORING

For many years WSTIP Members have benefited from



a contractual relationship with the Washington State Department of Licensing (DOL) to obtain driver abstracts. During contract negotiations in 2018 it became clear that continuity of the program would require a legislative fix. WSTIP partnered with the Washington State Transit Association (WSTA) to seek a solution. House Bill 1360 was sponsored by Representatives Irwin and Fey with Senate Bill 5725 sponsored by Senator Hobbs, King and C. Wilson with Governor Inslee signing the Driver Abstract Bill into law April 23, 2019. Through the dedicated efforts of many, WSTIP entered into a new contract with the DOL maintaining access to driver record abstract data for our Members. Thank you WSTA for helping us save this important program.

#### COLLISION AVOIDANCE PROJECT

In 2018 WSTIP joined the FTA and Pierce Transit in funding research on a collision avoidance technology project. The team lead by Pierce Transit includes five research partners managed by WSTIP. In 2019 the project gained momentum with testing of the automated emergency braking (AEB) system at Virginia Technology Transportation Institute (VTTI). In extensive testing scenarios the LiDAR based

**The accomplishments of 2019 were made possible due to a willingness to put the Pool first and a selfless dedication to collaborate on achieving a shared vision.**

system was able to see pedestrians and activate AEB to avoid contact. Following successful testing at VTTI the system was added to three additional Pierce Transit buses for testing in actual road conditions throughout Pierce County Washington. With professionally trained operators behind the wheel, this project has the potential for added safety through the collision avoidance technology of this innovative project.

#### DRIVECAM PROJECT

In 2018 WSTIP collaborated with Pierce Transit by helping fund a DriveCam driver training project. Pierce Transit installed Lytx DriveCam on all buses with the objective of identifying driver behavior for individualized coaching. The project has been successful in terms of risk reduction for Pierce Transit; however, I mention it because of how meaningful this project has been for all our Members. The Pierce Transit DriveCam Team has responded to numerous requests to conduct presentations sharing how a project such as DriveCam can support risk reduction and driver training. Pierce Transit is getting results from this project and others seek the same. Indeed, we end the year with another Member, Kitsap Transit, receiving a Technology Grant to fund a similar project of their own.

## OTHER NOTEWORTHY ITEMS

### AGRIIP ADVISORY STANDARDS RECOGNITION

In 2019 WSTIP completed its first ever Business Continuity Plan (BCP) and in so doing was able to complete and be awarded Association of Governmental Risk Pool's (AGRIP's) Advisory Standard Recognition. Only a quarter of AGRIP member pools have achieved AGRIP Recognition. WSTIP has maintained a continuity of AGRIP Recognition since 2006. It is an accomplishment we should all be proud of.

### WSTIP EXPANDS TRAINING OPPORTUNITIES IN 2019

WSTIP provided training to 612 individuals in 2019 (84% of which were WSTIP members) which is nearly double the number of people trained in 2018. We organized 31 training classes with courses held in Everett, Wenatchee, SeaTac, Lakewood, Olympia, Longview and Richland to meet the geographical need of our Members. We are grateful to the Washington State Department of Transportation (WSDOT) and their continued partnership in funding training tailored to meet the needs of public transportation operators.

### CLAIMS MANAGEMENT

I am pleased to report we have now closed out all claims prior to 2013. We have a few open claims in 2013/2014/2015 but otherwise we are working claims activity from 2016 to present. This has been a significant accomplishment of a focused and engaged claims staff working collaboratively with WSTIP's adjustors and defense attorneys. Furthermore, in 2019 we settled 355 claims, denied 137 claims, and closed 312 subrogation claims with over \$1 million in subrogation recoveries.

## WSTIP STAFF

The WSTIP Board approved a new position in 2019 for an Application Support Specialist to help members connect to Origami by working on member specific Origami projects. Christine Rouse joined us in February and because she had some prior knowledge of transit and WSTIP she was able to make immediate connections with members.

We also had some great talent leave our organization this year. We sadly said goodbye to Receptionist Brenda Barnett, Finance Specialist Marisa Espinoza, and Member Services Manager Joanne Kerrigan. All were long-term employees making them so hard to replace.

This means we spent considerable time searching for new talent and luckily found some in our own backyard. We hired our Claims Specialist Karey Thornton to take our Finance and Payroll Specialist position, and Matthew Branson, formally of Ben Franklin Transit, for our Member Services Manager. We also snagged some great choices in Brandy Rhodes as our new Administrative Assistant, and Robyn Galindo as our new Claims Specialist.

I want to thank my staff and the WSTIP Board of Directors for continuing to place their faith in my leadership to this outstanding organization. I look forward to creating many more great pieces of art together in the WSTIP shared vision.



# Staff Members

## **TRACEY CHRISTIANSON, EXECUTIVE DIRECTOR**

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

## **JOANNE KERRIGAN/ MATTHEW BRANSON, MEMBER SERVICES MANAGER**

Responsible for member communications, loss prevention programs and training, manages best practice compliance and updates and the driver record monitoring program.

## **CEDRIC ADAMS, CLAIMS MANAGER**

Coordinates the management of claims and lawsuits incurred by WSTIP members. Supervises the claims staff and manages independent adjusters, litigation managers, and attorneys assigned to WSTIP files.

## **ANDREA POWELL, ADMINISTRATIVE SERVICES MANAGER**

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

## **RICHARD L. HUGHES, GENERAL COUNSEL**

Provides legal advice to the Pool on a wide range of questions and issues.

## **ANNA BROADHEAD, BOARD RELATIONS**

Serves as the Clerk of the Board, provides overall administrative support to staff, and accomplishes special projects for members and staff.

## **MARISA ESPINOZA/KAREY THORNTON, ACCOUNTING & PAYROLL SPECIALIST**

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

## **LAURA JUELL, RISK AND TRAINING COORDINATOR**

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

## **CHRISTIAN DEVOLL, TRANSIT RISK CONSULTANT**

Conducts loss prevention reviews by meeting with members, reviewing operations, and making recommendations for compliance with Best Practices and state and federal regulations.

## **BRENDA BARNETT/BRANDY RHODES, ADMINISTRATIVE ASSISTANT**

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

## **KAREY THORNTON/ROBYN GALINDO, CLAIMS SPECIALIST**

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

## **JOEL LAMBERT, CLAIMS ASSOCIATE**

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

## **CHRISTINE ROUSE, APPLICATION SUPPORT SPECIALIST**

Responsible for the maintenance and administration of Origami Risk, WSTIP's Risk Management Information System (RMIS) and Laserfiche, WSTIP's enterprise content management system. Provides Origami 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

**ACTUARIAL SERVICES**  
PricewaterhouseCoopers, Seattle, WA

**ACCOUNTING SERVICES**  
StraderHallet, PS, Lacey, WA

# 2019 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 2019 winners are based on claims data for 2014 - 2018:

**Community Transit**  
**Island Transit Authority**  
**Columbia County Public Transportation**

## ABOVE & BEYOND AWARD

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

The following individuals were awarded in 2019:

**Jarred Gregerson, Kitsap Transit**  
**Jay Lorette, Kitsap Transit**  
**Jeff Klopp, Kitsap Transit**  
**Karen Ellsworth, Kitsap Transit**  
**Kirk Ladeaux, Kitsap Transit**  
**Rudy Zinter, Kitsap 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 2019, WSTIP awarded a combined total of \$11,000 in scholarships to the following individuals:

**Meghan Heppner, Island Transit**  
**Alex Mehn, Community Transit**  
**Rob Steen, Spokane Transit Authority**  
**Jo Cravens, Ben Franklin Transit**  
**John Bender, Jefferson Transit Authority**  
**Agustin Ortega, Yakima Transit**  
**Moges Girmay, Community Transit**  
**Susan Dickinson, Whatcom Transportation Authority**  
**Cara Brocx, Community Transit**  
**Melissa Lang-Stewart, Link Transit**  
**SuziAnna Scheidegger, Community 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 2019, WSTIP awarded \$3,175 recognizing a total of 16 employees from C-Tran, Intercity Transit, Kitsap Transit, Spokane Transit Authority and Whatcom Transportation Authority.

# 2019 Coverages

## WSTIP LIABILITY COVERAGES

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

### General Liability

Bodily Injury & Property Damage; Personal Injury & Advertising Injury; Contractual Liability	\$25 million per occurrence	\$0 Deductible
Personal Injury and Advertising Injury	\$25 million per offense	\$0 Deductible
Contractual Liability		\$0 Deductible
Vanpool Driver Medical Expense Protection	\$35,000 per occurrence	\$0 Deductible
Underinsured Motorist Coverage (by mode)	\$60,000 per occurrence	\$0 Deductible*
<b>Public Officials Liability</b>	\$25 million per occurrence and aggregate	\$5,000 Deductible

\* Members can select the modes where uninsured motorist coverage is applied.



<b>Property Coverage</b>		<b>Coverage</b>	<b>Deductible</b>
All perils subject to the following sublimits:	\$500 million	Per occurrence, all perils and insureds/ members combined	\$5,000**
Flood zones A & V – annual aggregate	\$10 million	Per occurrence, annual aggregate	\$500,000
All flood zones except A & V – annual aggregate	\$50 million	Per occurrence, annual aggregate	\$500,000
Earthquake, volcanic eruption, landslide, and mine subsidence	\$25 million	Per occurrence, annual aggregate	5% subject to \$500,000 minimum per occurrence per unit
<b>Auto Physical Damage</b>			
Auto Physical Damage (below \$250,000 in value)	Fair market value	Limited to \$1,350,000 any one vehicle	\$5,000**
July 1, 2018 to July 1, 2019 Auto Physical Damage for all vehicles with a model year of 2008 or later and valued over \$250,000	Replacement Cost	Limited to \$1,350,000 any one vehicle	\$5,000**
July 1, 2019 to July 1, 2020 Auto Physical Damage for all vehicles with a model year of 2005 or later and valued over \$250,000	Replacement Cost	Limited to \$1,500,000 any one vehicle	\$5,000**
<b>Boiler and Machinery</b>	\$100 million		\$250,000 or \$350,000 depending on size of boiler
<b>Crime/Public Employee Dishonesty</b> including faithful performance. Also includes:	\$1 million	Per occurrence	\$10,000
Employee theft	\$1 million	Per occurrence	\$10,000
Forgery or alteration	\$1 million	Per occurrence	\$10,000
Theft, disappearance and destruction (inside premises)	\$1 million	Per occurrence	\$10,000
Robbery and safe burglary (inside premises)	\$1 million	Per occurrence	\$10,000
Robbery and safe burglary (outside premises)	\$1 million	Per occurrence	\$10,000
Computer fraud	\$1 million	Per occurrence	\$10,000
Funds Transfer Fraud	\$1 million	Per occurrence	\$10,000
Money orders and counterfeit money	\$1 million	Per occurrence	\$10,000

\*\* Members can select the following deductibles: \$5,000, \$10,000, \$25,000, and \$50,000

<b>Cyber Liability</b>		<b>Coverage</b>	<b>Deductible</b>
Third Party Liability	\$2 million	Maximum limit	\$100,000*
Breach Response Costs	\$500,000	Limit increases to \$1 million if carrier's nominated service providers are utilized	
<b>FIRST PARTY LOSS</b>			
Business Interruption			
Resulting from Security Breach	\$2 million	Limit of Liability	
Resulting from System Failure	\$500,000	Limit of Liability	
Dependent Business Loss			
Resulting from Security Breach	\$750,000	Limit of Liability	
Resulting from System Failure	\$100,000	Limit of Liability	
Cyber Extortion Loss	\$2 million	Limit of Liability	
Data Recovery Costs	\$2 million	Limit of Liability	
<b>Liability</b>			
Data & Network Liability	\$2 million	Limit of Liability	
Regulatory Defense and Penalties	\$2 million	Limit of Liability	
Payment Card Liabilities & Costs	\$2 million	Limit of Liability	
Media Liability	\$2 million	Limit of Liability	
<b>eCrime</b>			
Fraudulent Instruction	\$75,000	Limit of Liability	
Funds Transfer Fraud	\$75,000	Limit of Liability	
Telephone Fraud	\$75,000	Limit of Liability	
<b>Criminal Reward</b>	\$25,000	Limit	

\*However, if covered loss exists, WSTIP's general liability policy also includes a \$50,000 limit of coverage with no deductible. As of July 1, 2019, the deductible was lowered to \$5,000.

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

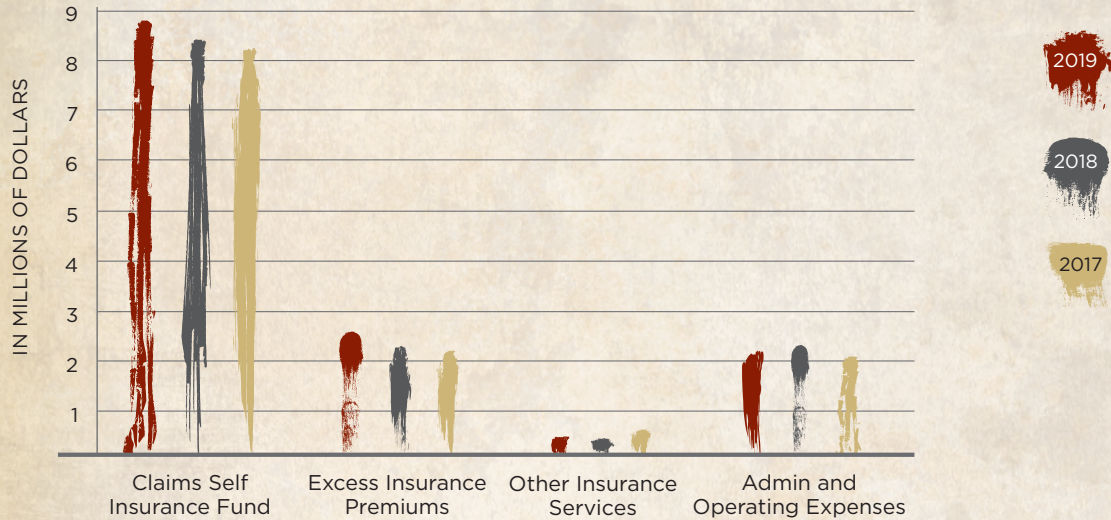
## Three-Year Comparative Summary

For the year ending Dec. 31.\*

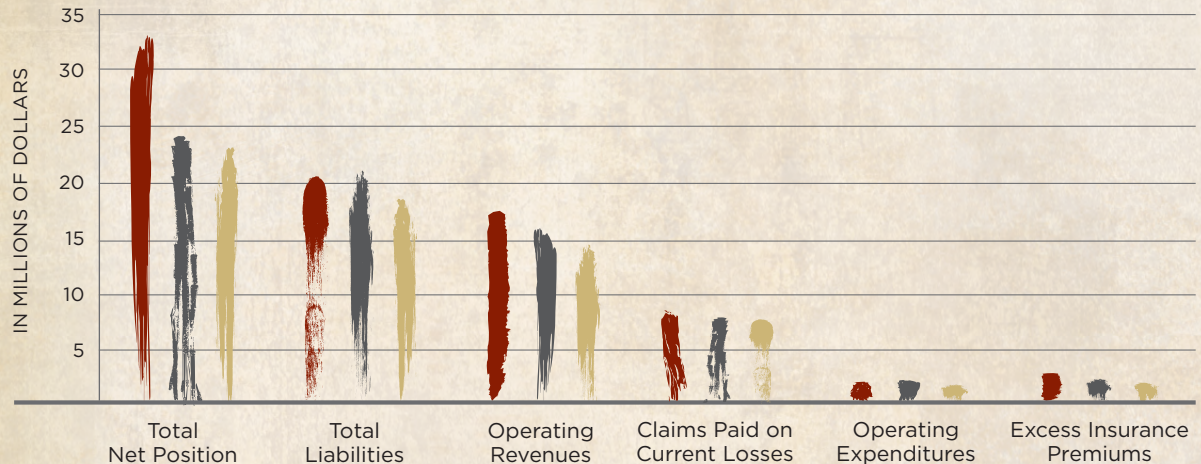
	2019	2018	2017
<b>ASSETS</b>			
Other Assets	\$53,240,133	\$45,083,953	\$40,904,824
Capital Assets	473,811	473,605	456,942
<b>TOTAL ASSETS</b>	<b>53,713,944</b>	<b>45,557,558</b>	<b>41,361,766</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related	83,724	80,361	99,992
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>83,724</b>	<b>80,361</b>	<b>99,992</b>
<b>LIABILITIES</b>			
Other Liabilities	8,044,499	8,234,826	8,340,536
Long-Term Liabilities	12,661,762	13,094,075	10,295,751
<b>TOTAL LIABILITIES</b>	<b>20,706,261</b>	<b>21,328,901</b>	<b>18,636,287</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related	221,243	198,738	127,964
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>221,243</b>	<b>198,738</b>	<b>127,964</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	473,811	473,605	456,942
Unrestricted Building Reserve	4,166	0	17,786
Unrestricted Technology Grant	179,093	0	0
Unrestricted Net Position	32,213,094	23,636,675	22,222,779
<b>TOTAL NET POSITION</b>	<b>32,870,164</b>	<b>24,110,280</b>	<b>22,697,507</b>
<b>REVENUES</b>			
Member Assessments	16,302,661	15,116,159	14,327,086
Program Revenues	1,032,040	530,113	643,944
Interest & Dividend Income	1,039,514	815,808	451,709
Change in Equity in GEM	495,608	162,622	111,946
<b>TOTAL REVENUES</b>	<b>18,869,823</b>	<b>16,624,702</b>	<b>15,534,685</b>
<b>EXPENSES</b>			
Administrative Expenses	2,228,121	2,343,675	2,063,061
Claims Paid on Current Losses	8,387,416	7,993,630	7,793,770
Adjustment to Prior Years'	(4,361,752)	712,763	1,685,521
Unallocated Loss Adjustment	421,754	439,891	448,776
Insurance Services	2,673,800	2,324,298	2,215,091
Depreciation Expense	20,627	17,632	15,923
Member Services Expense	401,053	403,878	656,415
Program Expenses	338,920	551,096	371,749
<b>TOTAL OPERATING EXPENSES</b>	<b>10,109,939</b>	<b>14,786,863</b>	<b>15,250,306</b>
<b>CHANGE IN NET POSITION</b>	<b>8,759,884</b>	<b>1,837,839</b>	<b>284,379</b>
<b>BEGINNING NET POSITION</b>	<b>24,110,280</b>	<b>22,697,507</b>	<b>22,413,128</b>
<b>PRIOR PERIOD ADJUSTMENT GASB NO. 75</b>	<b>0</b>	<b>(425,066)</b>	<b>0</b>
<b>ENDING NET POSITION</b>	<b>\$32,870,164</b>	<b>\$24,110,280</b>	<b>\$22,697,507</b>

\*At the time of publishing, 2019 financial statements had not been audited.

## Operating Expenses (2019-2017)



## Key Pool Indicators (2019-2017)



# Comparative Statement of Net Position

For the year ending Dec. 31.\*

	2019	2018
<b>ASSETS</b>		
CURRENT ASSETS		
Deposits and Investments	\$40,539,335	\$28,003,393
Accounts Receivable	7,589	6,508
Interest Receivable	23,497	31,319
Prepaid Expense	693,455	629,478
TOTAL CURRENT ASSETS	41,263,876	28,670,698
NONCURRENT ASSETS		
Capital Assets (Net of Accumulated Depreciation)	473,811	473,605
Deposits Held For Risk Pool Leadership Development Program	1,530	0
Thurston County Investment Portfolio	9,930,717	14,864,853
Equity in Government Entity Mutual (GEM)	2,044,010	1,548,402
TOTAL NONCURRENT ASSETS	12,450,068	16,886,860
TOTAL ASSETS	53,713,944	45,557,558
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
PENSION RELATED	83,724	80,361
TOTAL DEFERRED OUTFLOWS OF RESOURCES	83,724	80,361
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts Payable	56,927	96,860
Prepaid Income	123,905	123,055
Compensated Absences (Current Portion)	99,660	103,441
Unpaid Claims Liability (Current Portion)	7,764,007	7,911,470
TOTAL CURRENT LIABILITIES	8,044,499	8,234,826
NONCURRENT LIABILITIES		
OPEB Liability	358,951	439,740
Compensated Absences	9,916	30,337
Owed to Risk Pool Leadership Development Program	1,530	1,791
Net Pension Liabilities	326,114	469,599
Unpaid Claims Liability	3,327,431	3,825,633
Unpaid Claims Liability, IBNR	7,903,820	7,591,975
Unallocated Loss Adjustment Expense Reserve	734,000	735,000
TOTAL NONCURRENT LIABILITIES	12,661,762	13,094,075
TOTAL LIABILITIES	20,706,261	21,328,901
<b>DEFERRED INFLOWS OF RESOURCES</b>		
PENSION RELATED	221,243	198,738
TOTAL DEFERRED INFLOWS OF RESOURCES	221,243	198,738
<b>NET POSITION</b>		
Net Investment in Capital Assets	473,811	473,605
Unrestricted Building Reserve	4,166	0
Unrestricted Technology Grant Reserve	179,093	0
Unrestricted Net Position	32,213,094	23,636,675
TOTAL NET POSITION	\$32,870,164	\$24,110,280

\*At the time of publishing, 2019 financial statements had not been audited.



## Comparative Statement of Revenues, Expenses, and Changes in Net Position

For the year ending Dec. 31.\*

	2019	2018
<b>OPERATING REVENUES</b>		
Member Assessments	\$16,302,661	\$15,116,159
Program Revenues	1,032,040	530,113
TOTAL OPERATING REVENUES	17,334,701	15,646,272
<b>OPERATING EXPENSES</b>		
Insurance Services		
Excess/Reinsurance Premiums	2,572,600	2,324,298
Brokerage Fee	101,200	101,200
TOTAL INSURANCE SERVICES	2,673,800	2,425,498
Incurred Losses		
Claims Paid	8,387,416	7,993,630
Change in Unpaid Claims Liability	(4,361,752)	712,763
Unallocated Loss Adjustment Expense (ULAE)	421,754	439,891
TOTAL INCURRED LOSSES	4,447,418	9,146,284
General and Administrative Expenses	2,228,121	2,343,675
Member Services Expenses	401,053	302,678
Depreciation Expense	20,627	17,632
Program Expenses <sup>1</sup>	338,920	551,096
TOTAL OPERATING EXPENSES	10,109,939	14,786,863
OPERATING INCOME (LOSS)	7,224,762	859,409
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest and Dividend Income	1,039,514	815,808
Change in Equity in GEM	495,608	162,622
TOTAL NONOPERATING REVENUES AND EXPENSES	1,535,122	978,430
CHANGE IN NET POSITION	8,759,884	1,837,839
TOTAL NET POSITION, January 1	24,110,280	22,697,507
Prior Period Adjustment - GASB No. 75	0	(425,066)
TOTAL NET POSITION, December 31	\$32,870,164	\$24,110,280

<sup>1</sup> Program Expenses includes Driver Record Monitoring (DRM) and the WSTIP Training programs.

\*At the time of publishing, 2019 financial statements had not been audited.

## Comparative Statement of Cash Flows

For the year ending Dec. 31.\*

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Members	\$16,802,640	\$15,116,159
Cash Payments to Suppliers for Goods and Services	(9,112,189)	(13,526,740)
Cash Payments to Employees for Services	(1,302,775)	(1,327,167)
Increase (Decrease) in Claim Reserve	(334,821)	2,433,308
Other Operating Revenues	532,061	530,113
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,584,916	3,225,673
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption (Purchase) of Long Term Treasury Notes	5,000,000	(14,847,668)
Interest Received	1,039,514	815,808
Less Interest Received on Long-Term Investments	(67,655)	(15,394)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,971,859	(14,047,254)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets	(20,834)	(34,295)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(20,834)	(34,295)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS, JANUARY 1	28,003,393	38,859,269
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$40,539,335	\$28,003,393

<sup>1</sup>A reclassification was made to the 2018 Statement of Cash Flows statement to reclassify long-term investments as non current assets. No other statements were affected by this change in presentation.

\*At the time of publishing, 2019 financial statements had not been audited.

## Claims Development Information

For the year ending Dec. 31, 2019\*

The table below illustrates how the Pool'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 the Pool 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 the Pool including overhead and claims expenses not allocated to individual claims.
3. This line shows the Pool's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
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.

Columns of the table show data for successive policy years.

### Fiscal and Policy Year Ended (in Thousands of Dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Gross Member contribution and investment revenues	10,785	11,217	10,933	11,439	11,785	12,521	13,198	14,779	15,932	17,842
Ceded	1,651	1,793	1,904	2,166	2,206	1,999	2,150	2,215	2,324	2,573
Net earned	9,134	9,424	9,029	9,273	9,579	10,522	11,048	12,564	13,608	15,269
2. Unallocated operating expenses	2,111	2,272	2,223	2,433	2,500	3,058	3,142	2,735	2,781	2,983
3. Estimated Losses & Expenses End of Policy Year										
Incurred	5,648	5,727	4,994	5,470	7,047	5,764	5,395	8,106	9,068	8,998
Ceded	191	4,411	180	202	408	521	547	361	837	788
Net Incurred	5,457	1,316	4,814	5,268	6,639	5,243	4,848	7,745	8,231	8,210

\*At the time of publishing, 2019 financial statements had not been audited.

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

4. Paid (cumulative) as of:										
End of policy year	825	1,077	927	1,075	983	1,086	805	1,870	1,115	1,097
One year later	2,398	2,774	1,828	2,172	2,050	2,270	2,056	2,819	2,808	
Two years later	3,581	3,744	2,692	3,141	3,815	4,814	3,231	3,344		
Three years later	4,220	4,910	4,348	3,827	5,730	5,662	3,878			
Four years later	5,876	7,000	4,855	4,951	5,993	6,267				
Five years later	6,056	7,087	4,906	6,191	6,020					
Six years later	6,064	7,494	4,924	6,278						
Seven years later	6,065	7,589	4,912							
Eight years later	6,108	7,580								
Nine years later	6,101									
5. Re-Estimated Ceded Losses & Expenses										
	206	8,781	1,245	92	3,146	824	104	234	631	
6. Re-estimated net incurred claims and expenses:										
End of policy year	5,648	5,727	4,994	5,470	7,047	5,764	5,395	8,106	9,068	
One year later	5,364	6,783	4,320	5,052	7,640	5,735	6,214	6,605	8,337	
Two years later	5,975	8,144	4,755	5,448	7,340	7,320	5,668	6,170		
Three years later	6,500	9,075	4,858	6,220	6,470	9,868	4,691			
Four years later	6,288	8,473	4,976	6,918	6,262	7,725				
Five years later	6,142	8,295	5,065	6,753	6,145					
Six years later	6,107	7,671	5,000	6,222						
Seven years later	6,169	7,589	4,912							
Eight years later	6,108	7,580								
Nine years later	4,449									
7. Increase (decrease) in estimated net incurred claims and expenses for end of the policy year										
	(1008)	6,264	98	(954)	(494)	2,482	(157)	1575	106	

## Department of Enterprise Services Schedule of Expenses

For the year ending Dec. 31.\*

	2019	2018
<b>INSURANCE SERVICES<sup>1</sup></b>		
Claims Self Insurance Fund	\$8,809,170	\$8,433,521
Excess Insurance Premiums	2,572,600	2,324,298
Change in Unpaid Claims Liability	(4,361,752)	712,763
<b>TOTAL INSURANCE SERVICES</b>	<b>7,020,018</b>	<b>11,470,582</b>
<b>CONTRACTED SERVICES</b>		
Actuarial	82,900	108,800
Audits	13,013	19,650
Broker Fees	101,200	101,200
Legal Fees	78,037	117,919
Other Consultant Fees	105,679	106,297
<b>TOTAL CONTRACTED SERVICES</b>	<b>380,829</b>	<b>453,866</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Staff Wages, Taxes and Benefits	1,243,199	1,330,389
Member Services/Loss Prevention	401,053	517,041
Dues and Conferences	12,069	15,039
Board Expenses	180,262	237,578
Training	142,570	74,619
Technical Services	366,705	284,323
Communications	21,288	16,748
Supplies	14,555	13,393
Office Expenses	110,419	84,285
Depreciation	20,627	17,632
Miscellaneous	196,345	271,368
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>2,709,092</b>	<b>2,862,415</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$10,109,939</b>	<b>\$14,786,863</b>

<sup>1</sup> WSTIP self administers claims

\*At the time of publishing, 2019 financial statements had not been audited.





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