
2022 BUDGET

Overview, Narrative & Appendices



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Executive Summary

The following is a comparative summary of the 2022 budget to the 2021 adopted budget.

	2022 Budget	2021 Budget	Change
Total Operating Revenues	\$ 18,466,277	\$ 17,665,508	5%
Total Operating Expenses	16,907,000	15,915,000	6%
Total Other Income	500,000	500,000	0%
Net Income (Anticipated Surplus)	\$ 2,059,277	\$ 2,250,508	-8%

Budget Highlights by Grouping

Loss Fund

Our PwC actuaries have determined the loss fund to be \$8,725,000, a 5% increase over the prior year. The increase is attributed to higher exposure units, specifically mileage.

Insurance Costs

Insurance costs are presented at \$4,521,000, a 14% increase over the prior year with the increase attributed to the hardening of the property and liability markets.

General Administrative

The general administrative budget is presented at \$3,661,000, a 0% increase over the prior year. This budget incorporates the recommendations of the Executive Committee (EC) in implementing the compensation and benefit survey, which included a general wage increase of 3% for staff and the cost to provide an Employee Assistance Program. It also includes \$96,000 to bring the total Technology Grant funding available for award to \$500,000 in 2022.

Total Operating Expenses

Total operating expenses is inclusive of all expenses and is presented at \$16,907,000. The proposed operating budget aligns with target ratios that are established by the Audit Committee. Staff anticipate a \$2,059,277 contribution to net position at the end of 2022. This would exceed the actuary surplus of \$1,980,000 by \$79,277.

Ratios	Target	2022 Budget	2021 Budget
Incurred Claims Loss	Less than 50%	47%	47%
Insurance Services	Less than 20%	23%	20%
G&A Expense	Less than 25%	21%	23%
Operating	Less than 95%	92%	90%

Budget Development Policy and Rate Review

The Budget Development Policy establishes a rate stability goal of 5%. This is measured as a year over year comparison of the budget (the total costs from the actuarial report without the equity contribution).

Rates	Avg	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
With Equity Contribution	6%	5%	3%	7%	9%	7%	10%	5%	5%	4%	2%
Without Equity Contribution	4%	6%	3%	2%	4%	8%	12%	1%	1%	3%	2%

See Appendix A for a more detailed presentation of rates with and without the equity contribution.



Budget Summary

Operating Revenues	2022 Budget	2021 Budget	Change
Member Assessments	\$ 17,648,561	\$ 16,631,414	6%
Other Rating Cost Components	738,716	896,183	-18%
Total Assessment	18,387,277	17,527,597	5%
Prior Period Assessment Audit	-	37,911	-100%
Other Operating Revenues	79,000	100,000	-21%
Total Operating Revenues	\$ 18,466,277	\$ 17,665,508	5%

Operating Expenses

Loss Fund	Claims & Loss Adjustments	\$ 8,725,000	\$ 8,279,000	5%
	Insurance			
Insurance	Purchased Insurance - Liability	2,069,000	1,907,000	8%
	Purchased Insurance - Property	2,042,000	1,563,000	31%
	Other Insurance Products	410,000	505,000	-19%
General & Admin	Payroll & Benefits	1,784,000	1,806,000	-1%
	Contracted Services	529,000	581,000	-9%
	Risk & Loss Prevention	396,000	375,000	6%
	Training & Education	154,000	123,000	25%
	Technical & Subscription Services	315,000	282,000	12%
	Administrative	483,000	494,000	-2%
	Total Operating Expenses	16,907,000	15,915,000	6%
	Total Operating Income (Loss)	\$ 1,559,277	\$ 1,750,508	
Other Income (Expense)				
	Interest Income	500,000	500,000	0%
	Total Other Income (Expense)	500,000	500,000	0%
	Anticipated Change in Net Position	\$ 2,059,277	\$ 2,250,508	-8%



Operating Expenses, \$16,907,000

Loss Fund,
\$8,725,000

Purchased Insurance,
\$4,521,000

General & Administrative,
\$3,661,000

Budget by Grouping

Loss Fund

The loss fund is presented at \$8,725,000, a 5% increase over the prior year.

The loss fund is the largest expenditure grouping and is determined by our actuary based on various rating units to determine Members' exposure (or potential) for loss. As noted below, miles and employee counts are estimated to increase in 2022 (over 2021's estimate) as Members continue to add back or expand service. Vehicle values have been increasing over the past few years as Members purchase battery/electric buses (and those values are then depreciated). Property values have been increasing year over year and in 2021 there were new and renovated transit properties that increased the potential exposure to loss.

Rating Units	2022 E	2021 E	Change	2020 A&E	2022/2020
Mileage	91,325,739	90,390,872	1.0%	79,644,121 A	14.7%
Employee Counts	5,672	5,598	1.3%	5,203 A	9.0%
Vehicle Values	443,980	458,352	-3.1%	415,111 E	7.0%
Property Values	763,922	741,700	3.0%	707,670 E	7.9%

A = Actual E = Estimate P = Proposed

1st Party Loss Insurance – is when a Member files a claim to cover a loss of the Member. We often talk about these types of loss as they pertain to the Auto Physical Damage and Property coverages which are underwritten by the vehicle and property insured values. For 2022, the estimated cost of 1st party losses is \$888,000, a 3% increase over the prior year due primarily to the increase of values. This represents 10% of the total loss fund for 2022.

3rd Party Loss Insurance – is when another person is injured on or by a Member's actions. We often talk about these types of loss as they pertain to the Auto Liability coverage which is underwritten by miles and the Other than Auto Liability coverage which is underwritten by employee counts. The cost of insuring miles traveled is the most substantial portion of each Member's assessment. For 2022, the estimated cost of 3rd party losses is \$7,837,000, an 6% increase over the prior year due primarily to increased miles and employee counts. This represents 90% of total loss fund for 2022.

Loss Type	Coverages	2022 Budget	2021 Budget	Change
1st party	Auto Physical Damage	\$ 784,000	\$ 754,000	4%
1st party	Property	104,000	107,000	-3%
Total 1st Party		\$ 888,000	\$ 861,000	3%
3rd Party	Auto Liability	\$ 6,483,000	\$ 6,234,000	4%
3rd Party	Other than Auto Liability	1,354,000	1,184,000	14%
Total 3rd Party		7,837,000	7,418,000	6%
Total For All Coverages		\$ 8,725,000	\$ 8,279,000	5%

1st Party,
10%

3rd Party,
90%



Operating Expenses, \$16,907,000



Purchased Insurance

On the previous page we spoke to the cost of claims (losses) as a cost group. We will now discuss the cost of purchased insurance which is presented at \$4,521,000, a 14% increase with the cost group summarized below.

Purchased Insurance	2022 Budget	2021 Budget	Change
Liability	\$ 2,069,000	\$ 1,907,000	8%
Property	2,042,000	1,563,000	31%
Other Insurance Products	410,000	505,000	-19%
Total Purchased Insurance	\$ 4,521,000	\$ 3,975,000	14%

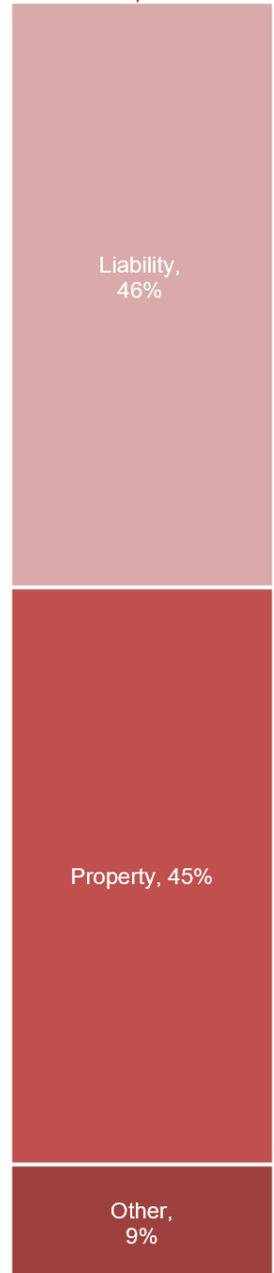
Liability – For 2022 WSTIP is budgeting to provide \$25 million of liability coverage which will be accomplished through layers of coverage (see graph below). Purchased liability coverage is estimated to cost \$2,069,000, an 8% increase over the prior year. The increase is attributed to an increase in mileage and also an increased cost of insurance.

Combined Layer	Layer	Provider	2022 Budget	2021 Budget	Change
25M	5M	Allied	\$ 126,000	\$ 104,000	21%
20M	5M	Hallmark	212,000	174,000	22%
15M	10M	MunichRe	543,000	499,000	9%
5M	3M	GEM	1,188,000	1,130,000	5%
2M	2M	WSTIP	-	-	-
Total Purchased Liability			\$ 2,069,000	\$ 1,907,000	8%

Property – For 2022 WSTIP will provide a \$250,000 SIR with the remainder of coverage provided by the Alliant Property Insurance Program (APIP) with a limit of \$500 million. This covers Member’s real property (structures and personal property). For 2022, WSTIP will also provide a \$250,000 SIR for auto physical damage. The remainder of coverage is provided by Evanston Insurance Company (a subsidiary of Markel). This policy has a replacement cost provision for vehicles in excess of \$250,000 and less than 10 years old. The limit on this policy is \$1.5 million on any one vehicle.

Purchased property coverage will cost \$2,042,000, a 31% increase over the prior year due primarily to a hardening insurance market. The costs took affect with the July 1 renewal.

Other Insurance Products – is presented at \$410,000, a 19% decrease over the prior year. The largest decrease is in driver record monitoring due to fewer drivers monitored and lower cost to monitor (based on 2021 cost structures). This includes the cost of pollution, underground storage tanks, crime & fidelity, directors & officers, excess cyber and driver record monitoring. These other costs represent 9% of all purchased insurance for 2021.





Operating Expenses, \$16,907,000

Loss Fund,
\$8,725,000

Purchased Insurance,
\$4,521,000

General & Administrative,
\$3,661,000

General & Administrative

This cost group is presented at \$3,661,000, a 0% increase over the prior year. For greater detail read the narrative below and see the line-item budget in the pages that follow.

Payroll & Benefits – is presented at \$1,784,000, a 1% decrease over the prior year. With turnover, the Executive Director decided to not fill the Administrative Services Manager position and is not seeking budgetary authority for that position in the 2022 Budget. This places the employee count at 12 FTE's. The budget includes the EC-approved salary survey recommendations, a 3% general wage increase for WSTIP staff, provides capacity for potential outcomes of the AGRiP CEO survey and recognizes cost savings related to Employer PERS contributions.

Contracted Services – is presented at \$529,000, a 9% decrease over the prior year. The decrease is primarily due to reductions related to the capital funding study which is only done once every three years. Included in this category are the broker, actuary, general counsel and state risk manager costs. Fees for professional services such as financial audits, claims and property audits, and IT support services are also included.

Risk & Loss Prevention – is presented at \$396,000, a 6% increase over the prior year. The increase is technology grant related. The category includes grant funded programs, pre-litigation, technical assistance, guest rider program, vanpool driver online refresher, recognition programs like Above & Beyond, Safety Stars and Safe Driver awards.

Training & Education – is presented at \$154,000, a 25% increase over the prior year. The increase is primarily due to the implementation of a Learning Management System (LMS), a WSTIP strategic plan item. WSDOT has awarded WSTIP RTAP grant funds that will be used to partially pay for the LMS. Includes the external costs for WSTIP to training programs including the trainer's showcase, the claims conference and the Jeffrey S. Ristau Scholarship.

Technical & Subscription Services – is presented at \$315,000, a 12% increase over the prior year. The increase is related to costs of data storage in Origami. Cost increases were partially offset by improvements to our IT operating environment which result in lower future costs. This category includes hardware, software licensing and subscription costs.

Administrative – is presented at \$483,000, a 2% decrease over the prior year. Includes the cost of board travel, meetings, board development. Includes staff travel, professional development and wellness programs. Includes membership dues and subscriptions, office supplies, postage & delivery, printing & graphic services, banking fees. Includes all occupancy expenses: building & office equipment, repairs, maintenance, janitorial services, communications, utilities, and leasehold taxes.





Budget by Line Item

Account Description	[A]			[B]	(A-B) / B
	As Proposed Dec 2021	2022 Budget Adjustments Nov 2021	As Proposed Sep 2021	2021 Budget As Adopted Dec 2020	2022 / 2021 % Change
Operating Revenues					
4000 Member Assessments					
4001 Auto Liability - Fixed Route	7,866,008	(38,013)	7,904,021	7,469,182	5%
4002 Auto Liability - Paratransit	1,626,496	(3,011)	1,629,507	1,451,823	12%
4003 Auto Liability - Vanpool	1,639,929	(202,004)	1,841,933	1,884,220	-13%
4004 Auto Liability - Admin	622,993	(22,583)	645,576	639,637	-3%
4005 General Liability	2,282,560	(17,799)	2,300,359	2,045,199	12%
4006 Auto Physical Damage	1,686,786	4,504	1,682,282	1,728,520	-2%
4007 Property	1,923,789	(979)	1,924,768	1,412,833	36%
Total Member Assessments	\$ 17,648,561	\$ (279,885)	\$ 17,928,446	\$ 16,631,414	6%
4100 Other Insurance Products					
4101 UIM - Fixed Route	174,680	8,754	165,926	183,178	-5%
4102 UIM - Paratransit	38,510	(12,306)	50,816	49,414	-22%
4103 UIM - Vanpool	99,551	(14,525)	114,076	117,559	-15%
4104 UIM - Admin	15,510	(1,118)	16,628	18,015	-14%
4105 Pollution	45,000	-	45,000	44,165	2%
4106 Underground Storage	30,000	-	30,000	30,668	-2%
4107 Crime & Fidelity	28,000	-	28,000	17,869	57%
4108 Directors & Officers	38,000	-	38,000	35,000	9%
4109 DRM - Transit Employees	115,972	-	115,972	145,970	-21%
4110 DRM - Vanpool / Volunteers	92,428	-	92,428	175,882	-47%
4111 Origami Licenses - Additional	15,750	-	15,750	22,950	-31%
4112 Cyber Extra Limits	45,315	-	45,315	55,513	-18%
Total Other Insurance Products	\$ 738,716	\$ (19,195)	\$ 757,911	\$ 896,183	-18%
4200 Prior Period Assessment Audit (PPAA)					
4201 PPAA - Auto Liability - Fixed Route	-	-	-	205,753	-100%
4202 PPAA - Auto Liability - Paratransit	-	-	-	28,819	-100%
4203 PPAA - Auto Liability - Vanpool	-	-	-	(215,702)	-100%
4204 PPAA - Auto Liability - Admin	-	-	-	(6,476)	-100%
4205 PPAA - General Liability	-	-	-	19,993	-100%
4206 PPAA - UIM - Fixed Route	-	-	-	1,135	-100%
4207 PPAA - UIM - Paratransit	-	-	-	1,012	-100%
4208 PPAA - UIM - Vanpool	-	-	-	(14,150)	-100%
4209 PPAA - UIM - Admin	-	-	-	292	-100%
4210 PPAA - DRM - Transit Employees	-	-	-	9,447	-100%
4211 PPAA - DRM - Vanpool / Volunteers	-	-	-	7,788	-100%
Total Prior Period Audit Adjustment - PPAA	\$ -	\$ -	\$ -	\$ 37,911	-100%
4500 Other Operating Revenue - Customers					
4505 Training Revenue - Grant Funded	34,000	-	34,000	34,000	0%
4510 Training Revenue - Fee Funded	24,000	-	24,000	24,000	0%
4520 Rental/Lease Income	18,000	-	18,000	18,000	0%
4525 DRM - ILA Customers	-	(24,000)	24,000	24,000	-100%
4550 Miscellaneous Income	3,000	-	3,000	-	100%
Total Other Operating Revenues	\$ 79,000	\$ (24,000)	\$ 103,000	\$ 100,000	-21%
Total Operating Revenues	\$ 18,466,277	\$ (323,080)	\$ 18,789,357	\$ 17,665,508	5%



Account Description	[A] 2022 Budget			[B] 2021 Budget	(A-B) / B
	As Proposed Dec 2021	Adjustments Nov 2021	As Proposed Sep 2021	As Adopted Dec 2020	2022 / 2021 % Change
Expenses					
5000 Claims & Loss Adjustments					
Establishing Loss Fund - 3rd Party - Auto	6,483,000	(145,000)	6,628,000	6,234,000	4%
Establishing Loss Fund - 3rd Party - General	1,354,000	(1,000)	1,355,000	1,184,000	14%
Establishing Loss Fund - 1st Party - APD	784,000		784,000	754,000	4%
Establishing Loss Fund - 1st Party - Property	104,000		104,000	107,000	-3%
Total Claims & Loss Adjustments	\$ 8,725,000	\$ (146,000)	\$ 8,871,000	\$ 8,279,000	5%
Total Loss Fund	\$ 8,725,000	\$ (146,000)	\$ 8,871,000	\$ 8,279,000	5%
5100 Purchased Insurance - Liability					
5101 Reinsurance - GEMRe	1,188,000		1,188,000	1,130,000	5%
5102 Reinsurance - MunichRe	543,000		543,000	499,000	9%
5103 Excess - \$5M excess of \$15M	212,000		212,000	174,000	22%
5104 Excess - \$5M excess of \$20M	126,000		126,000	104,000	21%
Total Purchased Insurance - Liability	\$ 2,069,000	\$ -	\$ 2,069,000	\$ 1,907,000	8%
5200 Purchased Insurance - Property					
5201 Excess - Auto Physical Damage	300,000		300,000	344,000	-13%
5202 Excess - Property	1,691,000		1,691,000	1,188,000	42%
5203 Excess - Cyber Ded Buy-Down	51,000		51,000	31,000	65%
Total Purchased Insurance - Property	\$ 2,042,000	\$ -	\$ 2,042,000	\$ 1,563,000	31%
5300 Other Insurance Products					
5301 Pollution	45,000		45,000	44,000	2%
5302 Underground Storage Tanks	30,000		30,000	31,000	-3%
5303 Crime & Fidelity	28,000		28,000	18,000	56%
5304 Directors & Officers	38,000		38,000	35,000	9%
5305 Driver Record Monitoring	208,000	(16,000)	224,000	322,000	-35%
5306 Driver Record Monitoring - (Recovered)	-	16,000	(16,000)	(24,000)	-100%
5307 Origami Licensing - Member Specific	16,000		16,000	23,000	-30%
5308 Excess Cyber (Optional)	45,000		45,000	56,000	-20%
Total Other Insurance Products	\$ 410,000	\$ -	\$ 410,000	\$ 505,000	-19%
Total Purchased Insurance	\$ 4,521,000	\$ -	\$ 4,521,000	\$ 3,975,000	14%
6000 Payroll & Benefits					
6001 Salaries & Wages	1,322,000		1,322,000	1,322,000	0%
6002 Employee Benefits	225,000		225,000	214,000	5%
6003 Pension & 401(a) Withholdings	207,000		207,000	240,000	-14%
6004 Payroll Taxes	30,000		30,000	30,000	0%
Total Payroll & Benefits	\$ 1,784,000	\$ -	\$ 1,784,000	\$ 1,806,000	-1%
6100 Contracted Services					
6101 Insurance Broker	115,000		115,000	115,000	0%
6102 Actuary	130,000		130,000	121,000	7%
6103 General Counsel	107,000		107,000	100,000	7%
6104 State Risk Manager	12,000		12,000	12,000	0%
6105 Audits - Financial/Accountability	15,000		15,000	15,000	0%
6106 Audits - Claims/Property/AGRIP	15,000		15,000	15,000	0%
6107 IT Support Services	70,000		70,000	80,000	-13%
6108 Accounting Review Services	10,000		10,000	10,000	0%
6109 Claims Review (Consolidate with 6110)	-		-	5,000	-100%
6110 Administrative Projects	55,000		55,000	30,000	83%
6111 IT Projects (Consolidate with 6110)	-		-	20,000	-100%
6112 Capital Funding Study	-		-	55,000	-100%
6113 Salary Survey	-		-	3,000	-100%
Total Contracted Services	\$ 529,000	\$ -	\$ 529,000	\$ 581,000	-9%



Account Description	[A]			[B]	(A-B) / B
	2022 Budget			2021 Budget	
	As Proposed Dec 2021	Adjustments Nov 2021	As Proposed Sep 2021	As Adopted Dec 2020	2022 / 2021 % Change
7000 Risk & Loss Prevention					
7001 Grants - Risk Management	62,500		62,500	62,500	0%
7002 Grants - Network Security	50,000		50,000	50,000	0%
7003 Grants - Technology Risk Reduction	96,000		96,000	75,000	28%
7004 Pre-Litigation Fund	75,000		75,000	75,000	0%
7005 Tech Assistance for Members	40,000		40,000	40,000	0%
7006 Guest Rider Program	10,000		10,000	10,000	0%
7007 Vanpool Driver Online Refresher	5,000		5,000	5,000	0%
7008 Recognition Programs	20,000		20,000	20,000	0%
7009 Sponsorships	15,000		15,000	15,000	0%
7010 Collision Avoidance Technology	7,500		7,500	7,500	0%
7011 Loss Prevention - Other	15,000		15,000	15,000	0%
Total Risk & Loss Prevention	\$ 396,000	\$ -	\$ 396,000	\$ 375,000	6%
7100 Training & Education					
7101 Training Events	84,000		84,000	87,000	-3%
7102 Trainers Showcase	8,000		8,000	8,000	0%
7103 Claims Conference	8,000		8,000	8,000	0%
7104 Ristau Scholarship	20,000		20,000	20,000	0%
7105 Learning Management System	34,000		34,000	-	New Item
Total Training & Education	\$ 154,000	\$ -	\$ 154,000	\$ 123,000	25%
7200 Technical & Subscription Services					
7201 Origami - Risk Mgmt Info System	201,000		201,000	140,000	44%
7202 Hardware & Network Components/Support	40,000		40,000	50,000	-20%
7203 Software & Licenses	50,000		50,000	68,000	-26%
7204 MSDS Online	12,000		12,000	12,000	0%
7205 MRSC Library (shared cost with WSTA)	12,000		12,000	12,000	0%
Total Technical & Subscription Services	\$ 315,000	\$ -	\$ 315,000	\$ 282,000	12%



Account Description	[A]			[B]	(A-B) / B
	2022 Budget			2021 Budget	
	As Proposed Dec 2021	Adjustments Nov 2021	As Proposed Sep 2021	As Adopted Dec 2020	2022 / 2021 % Change
7300 Administrative					
7301 Board - Travel & Lodging	115,000		115,000	115,000	0%
7302 Board - Governance Development	15,000		15,000	15,000	0%
7303 Board - Meetings	80,000		80,000	80,000	0%
7304 Board - Expenses - Other	10,000		10,000	10,000	0%
7401 Staff - Travel & Lodging	85,000		85,000	85,000	0%
7402 Staff - Professional Development	30,000		30,000	30,000	0%
7403 Staff - Wellness Programs	3,000		3,000	3,000	0%
7501 Admin - Dues & Subscriptions	15,000		15,000	15,000	0%
7502 Admin - Office Supplies	15,000		15,000	17,000	-12%
7503 Admin - Postage & Delivery	4,000		4,000	4,000	0%
7504 Admin - Printing & Graphic Services	15,000		15,000	15,000	0%
7505 Admin - Bank Charges & Fees	8,000		8,000	8,000	0%
7506 Admin - Miscellaneous	1,000		1,000	1,000	0%
7507 Admin - Extra Cyber	-		-	3,000	-100%
7601 Occupancy - Building & Office Equipment	20,000		20,000	20,000	0%
7602 Occupancy - Repairs, Maint & Janitorial Svcs	25,000		25,000	25,000	0%
7603 Occupancy - Communications	26,440		26,440	26,440	0%
7604 Occupancy - Communications - (Recovered)	(1,440)		(1,440)	(1,440)	0%
7605 Occupancy - Utilities	14,000		14,000	14,000	0%
7607 Occupancy - Rental/Leasehold Taxes	3,000		3,000	3,000	0%
7608 Occupancy - Equipment Lease (copier)	-		-	6,000	-100%
Total Administrative	\$ 483,000	\$ -	\$ 483,000	\$ 494,000	-2%
Total General & Administrative	\$ 3,661,000	\$ -	\$ 3,661,000	\$ 3,661,000	0%
Total Operating Expenses	\$ 16,907,000	\$ (146,000)	\$ 17,053,000	\$ 15,915,000	6%
Net Operating Income	1,559,277	(177,080)	1,736,357	1,750,508	-11%
Other Income					
9000 Interest Income	500,000	-	500,000	500,000	0%
Total Other Income	500,000	-	500,000	500,000	0%
Net Other Income	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	0%
Net Income (Anticipated Budget Surplus)	\$ 2,059,277	\$ (177,080)	\$ 2,236,357	\$ 2,250,508	-8%
Target Surplus (from Exhibit 8-1)	\$ 1,980,000		\$ 2,130,000	\$ 2,090,000	-5%
Surplus above target surplus	\$ 79,277		\$ 106,357	\$ 160,508	



What isn't in the Budget

Non-Cash Expenditures – are excluded from the budget as we aren't seeking authority to spend or appropriate funds. Examples of non-cash expenditures not in the budget:

- Depreciation Expense
- Deferred Outflows/Inflows of Resources Related to Pensions or OPEB
- Other Postemployment Benefit (OPEB) Liability
- Incurred But Not Reported (IBNR) Loss Reserves
- Unallocated Loss Adjustment Expenses (ULAE)

Technology Grant Reserve – we anticipate ending 2021 with \$406,614 available to carry forward for technology grant awards in 2022.

Building Reserve Fund – we anticipate ending 2021 with \$54,166 in this reserve fund to carry forward into 2022 and in 2022 we will add an additional \$25,000 (which we do each year for capital improvements to the Olympia office).



Appendix A: Rate Stabilization Analysis/History

Washington State Transit Insurance Pool
 Rate Stabilization Analysis
 Prepared for Board Meeting on Dec 10, 2021

		2022 As of Jun 2021	2021 As of Jun 2020**	2020 As of Jun 2019	2019 As of Jun 2018	2018 As of Jun 2017	2017 As of Jun 2016	2016 As of Jun 2015	2015 As of Jun 2014	2014 As of Jun 2013	2013 As of Jun 2012
Cost with UIM Adjustment	[A]	18,289,000	17,288,000	18,852,000	17,117,001	15,291,427	14,227,165	12,808,095	11,876,810	11,376,020	10,898,048
Backout Equity Contribution		(1,980,000)	(2,090,000)	(3,500,000)	(2,500,000)	(1,600,000)	(1,675,000)	(1,664,000)	(1,079,218)	(645,821)	(530,137)
Cost less Equity	[B]	16,309,000	15,198,000	15,352,000	14,617,001	13,691,427	12,552,165	11,144,095	10,797,592	10,730,199	10,367,911
Estimated Mileage Exposure	[C]	91,325,739	90,390,872	107,802,866	104,760,600	101,912,482	101,347,675	100,341,488	97,742,393	98,160,526	97,994,186
Value based on segments			16,777,841								
With Equity											
Current Year (CY) Rate	[A] / [C] = [D]	0.2003	0.1913	0.1749	0.1634	0.1500	0.1404	0.1276	0.1215	0.1159	0.1112
Prior Year (PY) Rate	[E]	0.1913	0.1856	0.1634	0.1500	0.1404	0.1276	0.1215	0.1159	0.1112	0.1093
Rate Change over PY	[D] / [E] - 1	5%	3%	7%	9%	7%	10%	5%	5%	4%	2%
Average of periods shown		6%									
Without Equity											
Current Year (CY) Rate	[B] / [C] = [F]	0.1786	0.1681	0.1424	0.1395	0.1343	0.1239	0.1111	0.1105	0.1093	0.1058
Prior Year (PY) Rate	[G]	0.1681	0.1625	0.1395	0.1343	0.1239	0.1111	0.1105	0.1093	0.1058	0.1040
Rate Change over PY	[F] / [G] - 1	6%	3%	2%	4%	8%	12%	1%	1%	3%	2%
Average of periods shown		4%									

** The actuary model of Exhibit 8-1 introduced a modified methodology for calculating the change of rate, this was due to a reduction in rating units.