

Annual Report 2013

Silver Anniversary Edition



**WASHINGTON
COUNTIES
RISK POOL**

Created by Counties for Counties

www.wcrp.info



On the front cover: Pacific County Courthouse, Cathy Russ Photography
On the back cover: Franklin County Courthouse Dome



Washington Counties Risk Pool

Created *by* Counties *for* Counties

Annual Report 2013

CONTENTS

Officers' Messages	4
Executive Director's Message	5
Membership.	6
Governance	7
Organization Summary.	8-9
SAO/DES Financial Examinations.	10
Operational Staff	11
Liability Insurance Summary.	12
Property Insurance Summary.	13
Claims Activities Summary.	14-15
Member Services Activities Summary.	16-18
Financial Summaries.	19-22
Claims Development	23



*From **Mark Wilsdon**, Py-2013 President*

It has been my honor and privilege this past year to serve as your President, especially given it was the Silver Anniversary for the WCRP. We had such a great team working to better the Pool; Tammy Devlin (Vice President), Steve Bartel (Secretary/Treasurer), and our Executive Committee, our Producer/Broker, Vyrle, Susan, and the rest of our WCRP staff – you were all great! We have accomplished so much, from the reduction in claims to the continuing improvement in our bottom line.

Wow, what an interesting...well...challenging, uh okay, crazy year it's been. To quote President Dwight D. Eisenhower, "Any man who wants to be President is either an egomaniac or crazy". I know I'm not an egomaniac.....

Our members are facing large uninsured losses from origins such as the "Innocence Project". These are creating significant and complex issues for our member counties, and their respective legislative authorities and staffs alike. I believe these challenges will make us stronger, smarter and better poised to take these issues on as an organization. We are not crossing into areas this Pool has gone before, nor were these many different challenges contemplated when the Pool was formed. This actually makes for very interesting times, an opportunity to shine in adversity.

As Tammy, Drew, and Keith, the 2014 officers, take over the WCRP reins; I wish them nothing but the best. May we be here to reminisce about these times 25 years from now when the WCRP celebrates its Golden Anniversary. I hope and pray that all of our future leaderships will continue to take us down the road to success. Through our members, we draw on our combined strength; and with this strength will endeavor to make 2014 a safe, secure, and profitable year for everyone.

*From **Tammy Devlin**, Py-2013 Vice-President and PY-2014 President*

It has truly been an honor to serve as the Vice President of the Washington Counties Risk Pool. The continued strength of this organization rests solely on the commitment of its membership. Think of it; through your efforts, past and recent, we just celebrated the 25th anniversary of this organization's existence with a virtually flat (zero inflation) renewal from an insurance market that is increasing in complexity. The Risk Pool is reporting retained funding levels that will withstand at least a 1-in-50 loss year based upon a retention of \$0.5M.

Our membership remains strong with 27 member counties, but we must be mindful that we have many new directors and alternates that likely need our collective support to ensure this organization remains strong and withstands the next 25 years of tort claims and insuring challenges in Washington State. Whether you are a County Commissioner/Council Member, Risk Manager, Prosecuting Attorney or an appointee that has the pleasure of wearing many hats for your organization, we welcome and value your expertise.

I am looking forward to the upcoming year as your President and hope that I can follow in the footsteps of our past presidents. There are many new challenges in store for the coming year, and I look forward to the challenge and working with all of you.

*From **Steve Bartel**, Py-2013 Secretary/Treasurer*

Thanks again for allowing me to serve as Secretary-Treasurer for Py2013, and for the opportunity to complete the "officer trifecta" – holding all three officer positions in consecutive policy years. The recently formed Investment Committee, which is chaired by the Secretary/Treasurer, made a significant impact upon the Pool's investment returns and its financial standing in Py2013. The Committee, vested with the responsibility to seek the best investment strategies of Pool funds to increase investment returns while protecting our assets in our ever challenging financial environment, made major accomplishments during Py2013 including, but not limited to:

- Revised the Pool's Financial Policy, adding an Investment Committee, and formatting the Investment Committee's make-up, duties and responsibilities.
- Conducted the research to gain valuable financial investment information necessary to forward reasonable and safe investment recommendations for the membership.
- Increase investment returns over previous LGIP returns by nearly 250%, and creating revenues of nearly \$150,000 for the Pool membership's equity.



Washington Counties Risk Pool



From WCRP Executive Director *Vyrle Hill*

To the Board of Directors and the Member Counties of the Washington Counties Risk Pool, and to the citizens of the state of Washington served by those Member Counties:

The presentation of this year's Annual Report of the Washington Counties Risk Pool ("Pool" or "WCRP") represents a real milestone – the culmination of WCRP's Silver Anniversary. Except for resolving the outstanding claims and lawsuits, 2012-13 ("Py2013") is now history. For me, the Pool's 25-year journey has included many learning experiences and some pleasant rewards to counter a fair number of obstacles that were encountered.

Membership: Fifteen of Washington's thirty nine counties were recognized as initial voting members when the WCRP was established in August 1988. Membership grew to nineteen during its first operating year, and then continued over the years with another eleven (county) additions, four departures, and one member returning. Membership has remained at 27 counties since September 2010.

Joint Self-Insurance Liability Program: The Pool has provided its member counties with occurrence-based, jointly self-insured and/or jointly purchased 3rd-party liability coverage since October 1, 1988. Coverage limits have grown from \$1M (during the Pool's initial two months) to \$5M, then to \$10M and onto \$15M before reaching the \$20M occurrence limit that has existed since Py2004. NOTE: Optional additional occurrence limits of \$5M have been available for individual members since Py2006.

616 third-party liability claims (and lawsuits) were reported to the Pool by its member counties and added to the Pool's administrative database during Py2013. This represented a 3% reduction in year-over-year filings and a continuation of the decline in annual filings in recent years. The new filings raised the to-date total (Oct 1988 – Sep 2013) to 19,232. Total incurred losses (payments made plus reserve estimates for *open* claims) increased \$8.1 million during Py2013 to \$250.9 million. The annual amount is 50% more than the corresponding Py2012 amount of \$5.4M, but it represents just 51% of the Py2011 increase of \$16.0M, 46% of the \$17.8M in Py2010, and only 39% of the \$20.8M annual average for Py2007 through Py2009. Only 327 claims remained classified as '*open*' at year-end.

The independent actuary's projection of total reserves for claims that are expected to be the Pool's responsibility decreased slightly (-1%) from Py2012 to \$14.6 million. This amount includes \$3.4 million (-21% from Py2012) for losses within the Pool's self-insured retention, \$10.0 million (+7%) for losses subject to the "corridor" programs with the Pool's reinsurers, \$0.2 million for losses within the (10%) Py2013 quota-shared upper reinsured layer, and \$1.0 million (+3%) for estimated unallocated loss adjustment expenses.

Washington Counties Property Program: Beginning with Py2006 (October 1, 2005), WCRP added property insurance as a county-by-county option that is jointly-purchased from a consortium of higher rated commercial insurance carriers. Since that initial offering, both participation and the total values of covered properties have nearly doubled. Twenty six WCRP counties with covered properties totaling over \$2.7 billion participated in the optional insuring program during Py2013.

There were 15 claims filed by participating counties during Py2013 with loss estimates totaling \$2.6 million and losses paid by fiscal year-end of \$1.5 million. During its initial eight years as a WCRP optional insuring program, there have been 103 WCPP claims filed with to-date incurred losses totaling \$15.5 million and losses paid through fiscal 2013 of \$8.9 million. Considering the fact that to-date WCPP premiums have totaled \$22.2 million, the WCPP's cumulative loss ratio is below 0.7.

Financial: During fiscal 2013, Pool assets grew 11% (+\$4.8 million) and liabilities by 3% (+\$1.0 million). Its net (financial) position, which is commonly referred to as "net assets" and sometimes as "owners' equity", improved 30% (+\$3.9 million) during the Pool's Silver Anniversary year to \$16.7 million as of September 30, 2013. Much of the net position is 'restricted' (\$12.5 million) to address the Board of Directors' recently revised requirements in section D of its Underwriting Policy. NOTE: This policy revision resulted in the Pool's own restriction increasing \$7.5 million (+187%) and the unrestricted declining \$3.8 million (-53%). The (State Risk Manager's) solvency provisions in WAC 200.100.03001(3) required \$0.9 million for satisfaction, a year-over-year increase of \$0.1 million (+15%). Another \$0.9 million is invested in capital assets (net of debt). The remaining \$3.3 million is unrestricted.

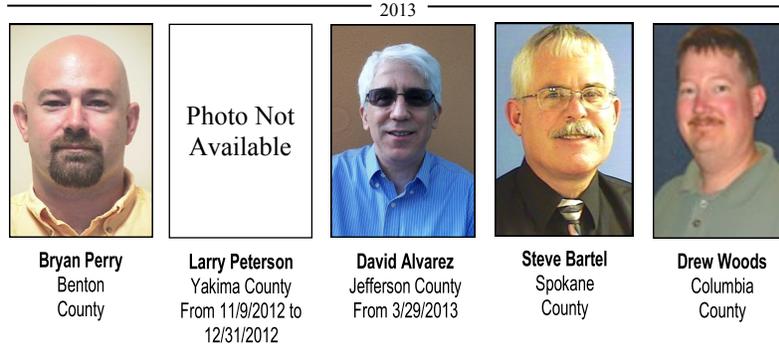
\$3.75 million in operating income was experienced during Py2013, an increase of 111% from Py2012. Operating revenues were 'flat', but expenses declined nearly \$2.0 million (-15%). This reduction was in part due to even more favorable



Washington Counties Risk Pool

Executive Committee Py2013

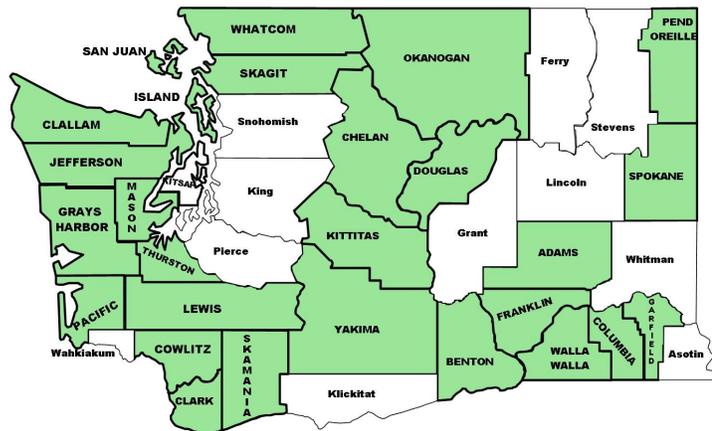
(Term Ending 9/30/XXXX)



MEMBERSHIP Py2013

- | | |
|----------------|--------------|
| Adams | Lewis * |
| Benton * | Mason * |
| Chelan | Okanogan |
| Clallam * | Pacific * |
| Clark | Pend Oreille |
| Columbia | San Juan |
| Cowlitz * | Skagit |
| Douglas | Skamania * |
| Franklin * | Spokane * |
| Garfield * | Thurston * |
| Grays Harbor * | Walla Walla |
| Island | Whatcom * |
| Jefferson * | Yakima |
| Kittitas | |

* Founding Member



	WCRP Members	State	% of State
Population	2,855,055	6,882,400	42%
Area (Sq. Miles)	45,649	66,544	69%
County Road Mileage	23,430	39,232	60%
# Bridges	2,111	3,270	65%
# Vehicles	7,301	N/A	N/A
# Worker Hours	25,727,661	N/A	N/A



GOVERNANCE

WCRP Directors and Alternate Directors, Pool Year 2013

ADAMS

Jeffrey Stevens, Commissioner
Linda Reimer, Clerk of the Board

BENTON

Melina Wenner, HR Director/Risk Manager
Bryan Perry, Safety/Training
David Sparks, County Administrator

CHELAN

Keith Goehner, Commissioner
Cathy Mulhall, County Administrator

CLALLAM

Rich Sill, Code Enforcement Manager
James Jones, County Administrator
Mark Nichols, Chief Deputy Prosecutor

CLARK

Mark Wilsdon, Risk Manager
Mark McCauley, General Services Director
Bronson Potter, Senior DPA
Bernard Veljacic, Chief Civil DPA

COLUMBIA

Andrew Woods, Public Works Director
Dwight Robanske, Commissioner

COWLITZ

Clyde Carpenter, Risk Manager
Claire Hauge, OFM Director

DOUGLAS

Steven Clem, Prosecuting Attorney
Thad Duvall, Auditor
Ken Stanton, Commissioner

FRANKLIN

Bob Koch, Commissioner
Shawn Sant, Prosecuting Attorney
Ryan Verhulp, Chief Civil DPA/Risk Manager

GARFIELD

Dean Burton, Commissioner
Wynne McCabe, Commissioner
Robert K. Johnson, Commissioner

GRAYS HARBOR

Wes Cormier, Commissioner
Herb Welch, Commissioner
Mike Wilson, Commissioner
Terry Willis, Commissioner
Dale Gowan, Director, Central Services

ISLAND

Kelly Emerson, Commissioner
Angie Homola, Commissioner
Elaine Marlow, Budget Director

JEFFERSON

Philip Morley, County Administrator
David Alvarez, Chief Civil DPA

KITTITAS

Lisa Young, HR Manager
Alan A. Crankovich, Commissioner
Judy Pless, Budget & Finance Manager

LEWIS

F. Lee Grose, Commissioner
Paulette Young, Safety Officer/RM
Michael Stroyzk, Central Services Director

MASON

Tim Sheldon, Commissioner
Terri Jeffreys, Commissioner
Randy Neatherlin, Commissioner
Steve Bloomfield, Commissioner
Lynda Ring-Erickson, Commissioner

OKANOGAN

Sheilah Kennedy, Commissioner
Andrew Lampe, Commissioner
Nanette Kallunki, Administration Director
Steve Bozarth, Chief Civil DPA

PACIFIC

Kathy Spoor, County Administrative Officer
Lisa Ayers, Commissioner
David Burke, Prosecuting Attorney

PEND OREILLE

Mike Lithgow, Director of Community Dev.
Laura Merrill, Commissioner
Teresa Brooks, Adm. Assistant to the Director
Alan Botzheim, Sheriff

SAN JUAN

Mike Thomas, County Manager
Pamela Morais, Human Resources Manager
Bob Jean, Interim County Administrator
Stan Matthews, Dep. Dir., Administrative Svc.

SKAGIT

Jessica Neill Hoyson, HR Director/Risk Mgr.
Arne Denny, Civil Deputy PA
Tim Holloran, County Administrator

SKAMANIA

Doug McKenzie, Commissioner
Jim Richardson, Commissioner
Scott Pineo, Risk Manager

SPOKANE

Steve Bartel, Risk Manager
Rob Binger, Senior DPA

THURSTON

Sandra Romero, Commissioner
Tammy Devlin, Risk Manager
Jon Tunheim, Prosecuting Attorney

WALLA WALLA

Jesse Nolte, Deputy PA
James K. Johnson, Commissioner

WHATCOM

Karen Goens, HR Manager
Randall Watts, Chief Civil DPA
Daniel Gibson, Chief Civil DPA

YAKIMA

James Hagarty, Prosecuting Attorney
Larry Peterson, Senior DPA
Terry D. Austin, Chief Civil DPA

We would like to acknowledge the Pool's longer-tenured board members, and thank them for the remarkable service they have provided. Listed with the counties from which they are appointed in parentheses are the Pool directors and alternate directors with at least...

15 Years: Melina Wenner (Benton), Claire Hauge (Cowlitz), Randy Watts (Whatcom), and Dean Burton (Garfield);

10 Years: Clyde Carpenter (Cowlitz), Tammy Devlin (Thurston/Lewis), Linda Reimer (Adams), Keith Goehner (Chelan), Steve Clem and Thad Duvall (Douglas);

5 Years: Cathy Mulhall (Chelan), Rob Binger and Steve Bartel (Spokane), Larry Peterson (Yakima), Andrew Woods (Columbia), David Alvarez (Jefferson), Bronson Potter and Mark Wilsdon (Clark), Lee Grose and Paulette Young (Lewis), Ryan Verhulp (Franklin), and Bryan Perry (Benton).

Unfortunately, farewells were conveyed during the past year to some of the longer-tenured board members as they departed their respective counties. Our sincere thanks as well as good wishes are extended to all those serving the Pool. We especially want to recognize the following for serving at least five (5) years:

Marge Upham (retired early 2013) – supported the WCRP Board as a “Founding Director” and continued for more than 24 years (1988 – 2012) as a director from Clallam County. During her WCRP tenure, she attended 57 Board meetings (62%). Marge was elected to serve as the Pool's Operations Vice President/Secretary (10/90 – 02/92), then to a short and a full term on the present-day executive committee, when it was established, where she served for four (4) years. She also participated as a member of multiple standing committees and was a fixture with the Pool's Personnel Committee.

Randy Watts (retired February 2013) – supported the WCRP Board for nearly 18 years (1995 – 2012) as a director or alternate director from Whatcom County. During his WCRP tenure, he attended 49 Board meetings (83%). Randy was elected to and served three full terms (9 years) on the Executive Committee. He was also elected to preside over the Pool as the Py2006 President, which followed a year-long term as Secretary-Treasurer (Py2005). He also served on multiple standing committees and Co-chaired the Underwriting Committee where he was a mainstay for many years.

Larry Peterson (departed December 2012) – supported the WCRP Board for 8½ years (2005 – 2012) as a director or alternate director from Yakima County. He attended 20 Board meetings (87%). Before his departure, Larry was elected and served a short stint on the Pool's Executive Committee. He also served several years on the Underwriting Committee and a few years on the Finance Committee.

Andy Lampe (departed December 2012) – supported the WCRP Board for more than 6 years (2006 – 2012) as a director from Okanogan County. He attended 18 Board meetings (95%). During his WCRP tenure, Andy was elected to and served portions of two terms (3½ years) on the Executive Committee, and he was elected Vice President but decided not to assume the position before departing.



Washington Counties Risk Pool

Organization Summary 2013



Washington Counties Risk Pool (“Pool” or “WCRP”) was formed August 18, 1988, via Interlocal Agreement signed initially by 15 of Washington’s 39 counties. Thirteen of the original members began utilizing the WCRP insuring program and services that October, while the other two and another four that joined the Pool later that first year began receiving coverage as their commercial insurance programs expired. Over its first quarter century of operation, the Pool has continued to grow and now serves 27 counties.

The WCRP was established to provide its member counties with “joint” programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative, claims handling and risk management services. The WCRP operates under Washington’s “pooling” laws, specifically RCW Chapter 48.62 and WAC 200-100, and is overseen by the State Risk Manager with fiscal and accountability audits performed annually by the State Auditor.

The WCRP mission:

- *to provide comprehensive and economical risk coverage;*
- *to reduce the frequency and severity of losses; and*
- *to decrease costs incurred in the managing and litigation of claims.*

The Pool’s core values include:

- *being committed to learn, understand and respond to member insurance needs;*
- *establishing working relationships with all members who identify business issues and jointly developing solutions; and*
- *allocating resources to risk management in their own member county operations.*

The Pool’s Board of Directors and staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and to continuous planning and innovation in product development and service delivery.

The enabling Interlocal Agreement was enhanced in 2000 with the addition of the Pool’s Membership Compact, a commitment to strengthen the Pool by helping its member counties implement local Risk Management Programs to reduce losses and support the best management of the WCRP and its resources. The Compact established obligations to support these goals through three major elements: membership involvement, risk control practices, and a targeted risk management program.

Joint Self-Insurance Liability Program: *WCRP members presently acquire \$20 million (with a county-by-county option to \$25 million) of joint liability coverage on a “per occurrence” basis for third-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury. Members annually select an “occurrence deductible” of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000, or \$500,000. The initial \$10 million of coverage is jointly self-*

(Continued on page 9)



(Continued from page 8)

insured; however, reinsurance is acquired to protect the Pool directly and its members indirectly from large losses. The remaining insurance, up to \$15 million, is acquired as “following form” excess insurance. There are no aggregate limits to the claims payments for any one member county or all member counties combined.

Property Program and Other Coverages: *Beginning with the 2005-06 policy year, the WCRP added fully-insured property coverage with limits of \$500 million (normal) and \$200 million (catastrophic) as a member county option. Twenty-six counties presently purchase this coverage. Some members also use the Pool’s contracted insurance producer to secure insurance products, e.g. special events and concessionaires, environmental hazards, public official surety bonds, and airport, ferry and railroad operations coverages.*

The WCRP is governed by a Board of Directors consisting of one Director (and at least one Alternate Director) designated by each member county. The Pool’s Board, comprised of both elected and appointed county officials, meets three times a year with its Annual Meeting in the summer. The Board is responsible for determining the liability coverage being offered (approving the insuring agreement or coverage form), the reinsurance to purchase, the excess insurance(s) to be jointly purchased or offered for purchase, and for approving the Pool’s annual operating budget, its work programs and the member-assessment formulae.

Regular oversight of the Pool is furnished by an 11-person Executive Committee, members of which are elected by the Pool Board from its membership to staggered three-year terms. The present make-up includes an average of 8.5 years experience working with the Pool. The Executive Committee meets several times throughout the year to approve all WCRP disbursements and examine the Pool’s financial health; to approve case settlements that exceed member deductibles by at least \$50,000, and to review resolution strategies for all claims with incurred loss estimates exceeding \$100,000. The Committee also evaluates the Executive Director and the Pool’s operations and program deliverables. Committee members also participate in the Board’s standing committees (Finance, Personnel, Risk Management and Underwriting) for development or review/revision of the organization’s policies and coverage documents.

Six of the Pool’s ten-person staff handle and/or manage the several hundred liability cases submitted yearly. These claims professionals have nearly 100 years of combined claims handling experience. With the recently added resources, the “open” file count is declining, having been reduced to under 400. Other staff are responsible for supporting Pool administrative needs and providing member services that include assessments of risks, training, compliance auditing, coverage development and marketing.

Other professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool: PricewaterhouseCoopers, LLP, furnishes independent actuarial services; Strategic Claims Direction, LLC, furnishes independent claims auditing services; Arthur J. Gallagher Risk Management Services, Inc., provides insurance producer (broker) and advanced loss control services. Also, claims audits are occasionally performed by the Pool’s insurers and reinsurers. These professionals are in addition to the many assigned defense counsel and the “pooling” oversight by the State Risk Manager and audits performed by the State Auditor’s office.





FINANCIAL EXAMINATION AND REPORTS FROM THE STATE AUDITOR



The State Auditor's Office is established in the state's Constitution as part of the executive branch of state government. Through statute established by the Washington State Legislature and more recently, by citizen initiative, the State Auditor has the statutory authority to audit every and all governments in the state. State law (Chapter 43.09 RCW) requires the State Auditor's Office to examine the financial affairs of local governments. The SAO reports objectively and directly to the taxpayers about all levels of government regarding their stewardship of public funds. The audits look at financial information and compliance with state, federal and local laws on the part of all local governments. They conduct a range of audits that include accountability and financial audits. This financial information is available on the State Auditor's Office website for public use through the Local Government Financial Reporting System.

The most recently published audit reports are available for viewing at www.sao.wa.gov Select the tab "Search Reports" and under search options enter: Washington Counties Risk Pool.

OR... you can find them on the WCRP website at: http://www.wcrp.info/sao_reports.asp

LOCAL GOVERNMENT SELF INSURANCE PROGRAM EXAMINATION

The Department of Enterprise Services, through the Risk Management Division, Administers the Local Government Self-Insurance Program (LGSI). The program provides approval and oversight of joint self-insured local government property/liability programs under the provisions of Chapter 48.62 RCW and WAC 200-100.

The mission of LGSI is to protect taxpayer resources by ensuring that local government self-insurers are informed about the program's financial condition, participate in decisions which affect insurance services for entities they represent, and ensure compliance with laws and regulations designed to foster financially sound management practices.

The most recently published examination reports are available for viewing at: <http://www.des.wa.gov/services/Risk/Self-Insurance/Pages/poolReports.aspx>



Washington Counties Risk Pool

OPERATIONAL STAFF

ADMINISTRATION



EXECUTIVE DIRECTOR
Vyrle Hill



ACCOUNTING OFFICER
Sue Colbo



ADMIN ASSISTANT
Stacey Spears

MEMBER SERVICES DIVISION



SPECIALTY SERVICES
David Goldsmith



LOSS CONTROL COORDINATOR
Jill Lowe

CLAIMS DIVISION



CLAIMS MANAGER
Susan Looker



SR. CLAIMS ANALYST
Mike Cook



SR. CLAIMS ANALYST
Candy Drews



CLAIMS ANALYST
Tammy Cahill



CLAIMS REPRESENTATIVE
Lisa McMeekin



CLAIMS ASSISTANT
Carli Easter

PROFESSIONAL SUPPORT

WCRP is backed by professionals with some of the best organizations worldwide:

PricewaterhouseCoopers LLP, for independent actuarial services

Kevin Wick, Managing Director, FCAS, MAAA

Craig Scukas, Director, FCAS, MAAA

Strategic Claims Direction, for independent claims auditing services

Gary Jennings, Principal

Arthur J Gallagher Risk Management Services, Inc., for insurance producer (broker) and advanced loss control services

John Chino, Area Senior Vice President, Elizabeth Miser, Area Vice President & Darin Puryear, Area President

Julie McCallum, Vice President, Risk Management Services & Tim Chace, Director of Risk Control

DES Local Government Self Insurance Program - State of Washington

Shannon Stuber, Program Administrator

Auditor - State of Washington

Hon. Troy Kelly

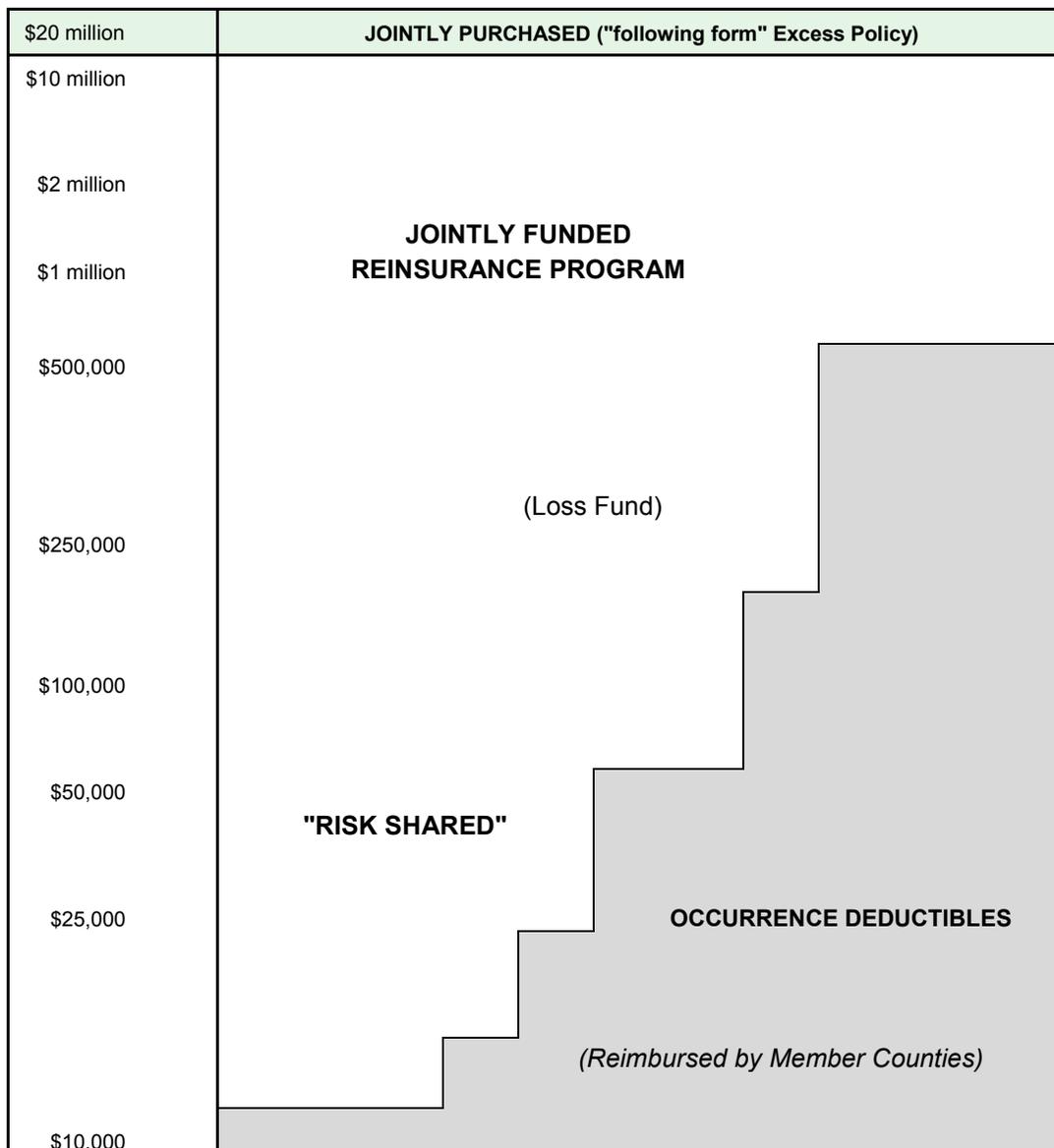


Washington Counties Risk Pool

SUMMARY OF 2012-13 LIABILITY INSURANCE PROGRAM

The Washington Counties Risk Pool provides its member counties with tort liability limits of \$20-\$25 million per occurrence. Subject to member-selected deductibles, this includes \$10 million in joint (self-insured) financial protection plus \$10-\$15 million in "following form" excess coverage. Member counties select their occurrence deductibles each policy year from either \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000 options. There are no annual aggregate limits to the payments the Pool might make for any one member county or all member counties combined.

The coverage form for the Pool's joint self-insurance liability policy covers bodily injury, personal injury, property damage, errors and omissions, and advertising injury.



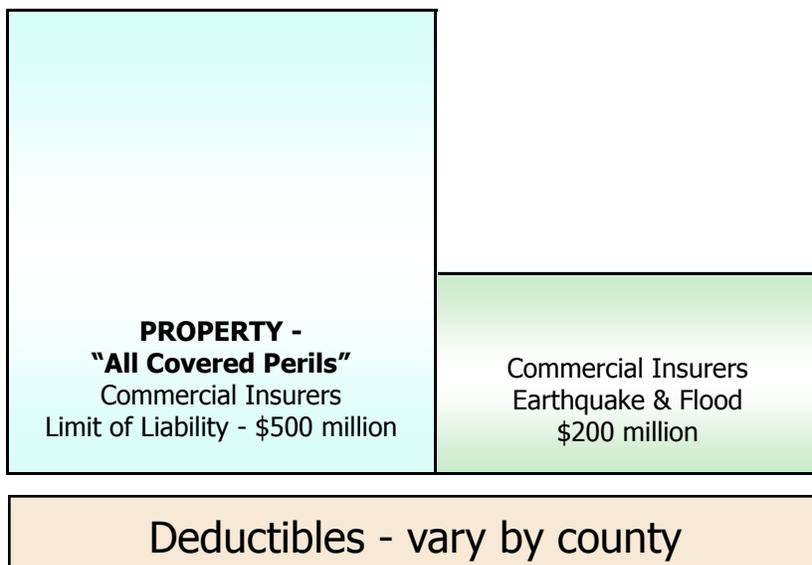


Washington Counties Risk Pool

SUMMARY OF 2012-13 PROPERTY INSURANCE PROGRAM

Participating Counties

- Adams
- Benton
- Chelan
- Clallam
- Clark
- Columbia
- Cowlitz
- Douglas
- Franklin
- Garfield
- Grays Harbor
- Island
- Jefferson
- Kittitas
- Lewis
- Mason
- Okanogan
- Pacific
- Pend Oreille
- San Juan
- Skagit
- Skamania
- Spokane
- Thurston
- Walla Walla
- Whatcom



Program Limits

Total Insured Values

Composite schedules total \$2.75 billion.

Covered Perils Include: Real and personal property, business interruption, extra expense rental value, demolition and increased cost of construction, valuable papers, accounts receivable, transit, EDP (Equipment/Media/Extra Expense), newly acquired property, course of construction, contractors equipment, errors and omissions, offsite storage and personal property of the insured's officers and employees while on the premises of the insured. Endorsements are included for Green Construction Upgrades and for Reproduction Coverage for Historic Structures.

Limits of Liability

\$500 million - All covered Perils, excluding EQ & FL

\$200 million - Earthquake & Flood with:

\$25 million - Special Flood Hazard Areas

\$100 million - Equipment Breakdown / Boiler & Machinery

\$20 million - Terrorism

Deductibles

All Covered Perils: \$5,000 to \$50,000 (county option). Earthquake and Flood deductibles vary with specific circumstances.



Washington Counties Risk Pool

From Claims Manager *Susan Looker, AIC*

Member counties continue to monitor and manage their risks as they go about their day to day business. There are multiple departments that make up county government. In the automobile liability (AL) area, there are many county drivers including public works and sheriff deputies. In the general liability area, there are miles of county roads to design and maintain, permits regarding land use that are issued, jails that are operated, and executive decisions that are made. In the employment liability area (EL), there are unions, contracts, line and management employees, as well as elected officials.

When claims are reported to WCRP, it is the job of claims staff to timely review each claim, determine coverage, investigate allegations, set appropriate reserves, report to proper authorities, and resolve the claim in a fair and cost effective manner. Performing these functions (April 2014) is a dedicated staff of six. Mike Cook (Senior Claims Analyst) began his career in insurance in 1982; Joe Campeau (Senior Claims Analyst) 1986; Holly Fierro (Claims Analyst) 1996; Lisa McMeekin (Claims Representative) 2008; and Leslie Lubrano (Claims Assistant) 2013. Combined with me (1989), there are a total of over 112 years of claims/insurance experience addressing the member county claims.

As noted earlier, 616 claims (and lawsuits) were added to the Pool's claims database during Py2013 and raised the 25 years-to-date total of third-party liability claims submitted by WCRP member counties to 19,232. The Pool paid \$11.2 million in indemnity and expenses during Py2013. With 18,905 of the claims designated as *closed*, only 327 claims remained classified as *open* at year's end. There were two open claims preceding Py2004 at the end of Py2013.

96 of the 327 claims open at the end of Py2013 were valued at approximately \$35.6 million. Two cases went to trial resulting in defense verdicts. Nine open cases were valued over \$1 million; the collective value of these cases was \$14.2 million. Of those nine cases, seven involve joint and several liability potentials.

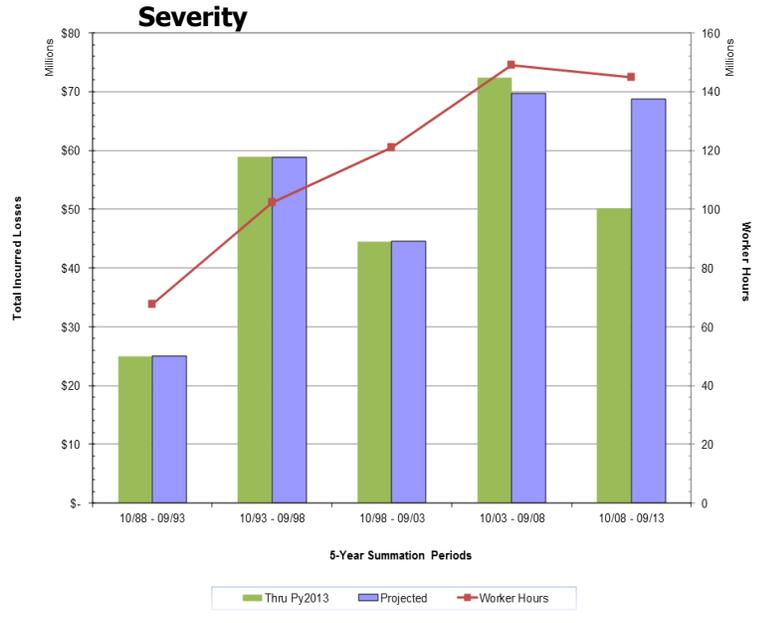
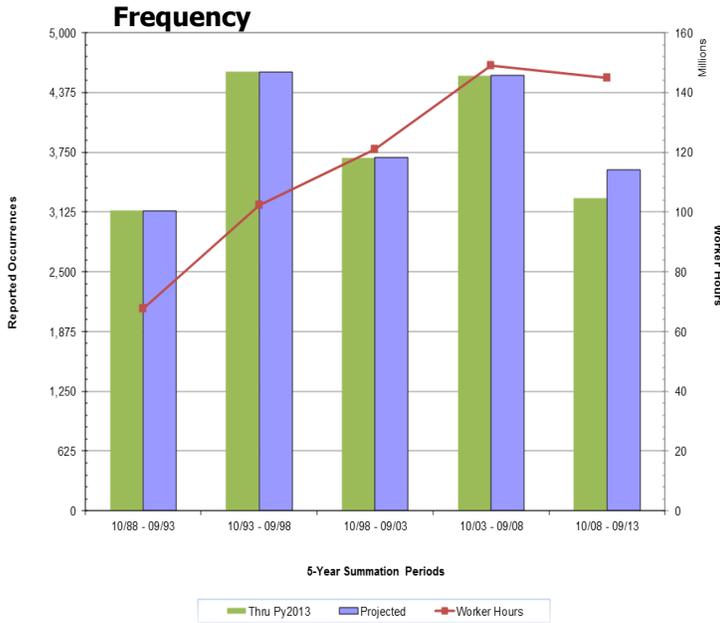
Even though nearly 40% of claims are resolved without any payments, \$216.3 million has been paid addressing the Pool's claims to-date. 40% of the amounts paid (\$87.5 million) are deductibles reimbursed by the applicable member counties. 3% (\$6.8 million) was covered under excess insurance policies and reimbursed by the applicable commercial insurers. The remaining 57% (\$122.0 million) represents the "risk shared" portion of the joint self-insurance coverage paid from "pooled" funds—\$55.9 million retained by the Pool itself and \$66.1 million reimbursed by its commercial reinsurers.

CASE DISTRIBUTION (Severity)			
Value Range (between)		Count	Percentage
\$0	\$0	7,674	39.9%
\$.01	\$10,000	9,730	50.6%
\$10,000	\$25,000	610	3.2%
\$25,000	\$50,000	407	2.1%
\$50,000	\$100,000	339	1.8%
\$100,000	\$250,000	264	1.4%
\$250,000	\$500,000	114	0.6%
\$500,000	\$1,000,000	55	0.3%
\$1,000,000	Over	39	0.2%

Open Events as of 9/30/13	
Pool Year	Open Claims
A-P (88-04)	2
Q (04-05)	9
R (05-06)	5
S (06-07)	5
T (07-08)	12
U (08-09)	21
V (09-10)	46
W (10-11)	45
X (11-12)	52
Y (12-13)	130
Total Open	327



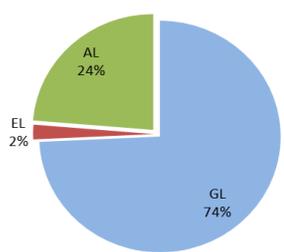
Summarized Data of Third Party Liability Occurrences through Py2013



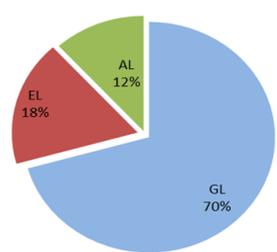
ALLOCATION OF INCURRED LOSSES by Claim Status, PTD through 9/30/13

Status	Incurred	Counties	WCRP SIR	Corridor	Total SIR	Insurers
Open Legal	\$ 32,881,206	\$ 13,288,000	\$ 2,123,500	\$ 6,475,000	\$ 21,886,500	\$ 10,994,706
Open Claims	8,427,510	4,512,510	1,535,000	2,030,000	8,077,510	350,000
Closed Legal	175,615,658	59,024,954	43,897,909	3,965,558	106,888,421	68,727,236
Closed Claims	33,950,953	23,659,356	6,722,173	277,424	30,658,952	3,292,001
TOTAL	\$ 250,875,327	\$ 100,484,820	\$ 54,278,582	\$ 12,747,982	\$ 167,511,383	\$ 83,363,943

Total # Events (Frequency) by Claim Type
PTD through 9/30/2013



Incurred Loss Estimates (Severity) by Claim Type
PTD through 9/30/2013



Total # Events (Frequency) by Claim Status
PTD through 9/30/2013



Incurred Loss Estimates (Severity) by Claim Status
PTD through 9/30/2013





Washington Counties Risk Pool Member Services

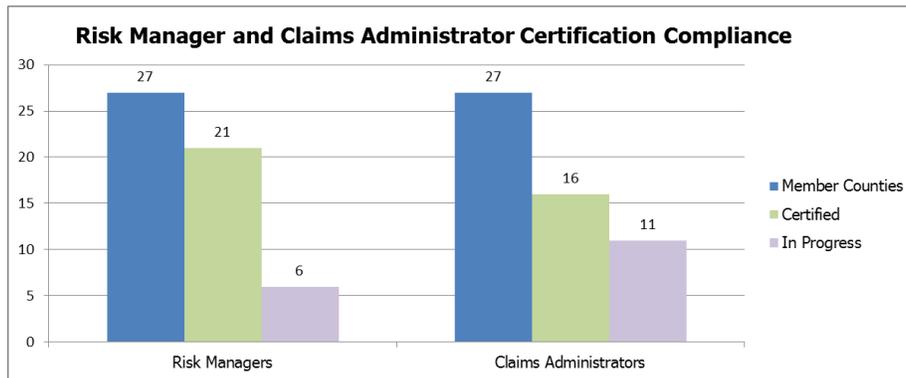
The Member Services Division includes operational support as well as loss control and other risk management activities. This includes marketing efforts, membership compact compliance, strategic plan administration, and other activities designed to assist Member Counties with administering their self-insurance and related risk management programs. The Pool is visible in members' communities offering assistance with risk analysis and suggesting changes. Pool staff speak at conferences or provide speakers, and meet with county officials to provide insight regarding losses and what can be done to stop those losses.

WCRP holds three conferences each year during which training is provided to assist Board members as well as risk managers, claims administrators and other county officials in performing their job duties. Because of the training topics offered and the valuable networking opportunities, the Pool experiences over a 95% rate of attendance by member counties at conferences.

Membership Compact

The *Membership Compact* is a commitment to strengthen the Washington Counties Risk Pool by helping its member counties implement local Risk Management Programs to reduce losses and support the best management of the WCRP and its resources. Another (triennial) Compact Compliance Audit was performed during 2012-13 by Jill Lowe, Loss Control Coordinator. Member counties must appoint a Pool director and alternate director, a Risk Manager and Claims Administrator.

The County Risk Managers and Claims Administrators are expected to work with elected officials and other administrators to reduce risk. These appointees must meet specific certification requirements within two years of being appointed to their positions. Most Risk Managers and Claims Administrators serve in other capacities such as county attorneys, clerks of the Board, and budget and human resource officers. Certification includes passing AICPCU exams. Six County Risk Managers are currently taking or have been certified as Associates in Risk Management (ARM).



David Goldsmith
Specialty Services

Pool marketing efforts (internal and external), Strategic Plan administration, and other activities designed to assist the Pool's Member Counties are included under this broad umbrella.

County Visitations

A cornerstone to the success of the WCRP is communication with and amongst its member counties' leaderships. To this end, Executive Director Vyrle Hill and/or Member Specialty Services Representative David Goldsmith met with each of the member counties beginning in

Continued on page 17



Jill Lowe
Loss Control Coordinator

The Pool, based in part upon recommendations from the Board's Risk Management subcommittee, provides cutting edge training throughout the state based on loss trends. The Pool also offers scholarship and grant funds for training opportunities. Scholarships and grant funds are frequently used to address specific areas of concern and enable county employees to attend specialized liability related training in Parks and Recreation, Human Resources, Law Enforcement, Corrections and other areas of liability concern.

Loss Control works closely with the Claims Division and the Risk Management Committee to develop training,

Continued on page 17



Washington Counties Risk Pool

David Goldsmith, Continued from page 16

the spring and throughout the summer. The focus of these discussions was the Pool's overall claims experience and subsequent costs for related insurances, the member county's participation in the Pool's claims experience, and the nature of membership in a "pooled" insuring environment.

Marketing/Partnerships

Non-member counties were approached to solicit interest in joining the WCRP. Face to face meetings were held with Whitman, Wahkiakum and Klickitat Counties. Also, the Pool was represented at the Washington State Association of Counties and Washington Association of County Officials Annual Conferences to further the Pool's presence as a resource and partner for county government.

Organizational Development

Organizational development revolved around three issues: succession planning for key Pool management positions, Board member development, and strategic planning. With the Executive Director approaching retirement, efforts have begun to develop a succession plan for this and other key management positions. Due to the size of the organization and lack of management layers, the plan evolved into a business interruption and succession planning effort, and the resulting document addresses both the need for short term management structure and long term replacement. The document was adopted by the Board of Directors at the Annual Meeting.

Board Development

The success of the Washington Counties Risk Pool is dependent on an informed, engaged and knowledgeable Board (of Directors). To this end, the spring conference emphasized the issue of effective Board participation. Board members are often required to wear multiple hats; that of their respective county, and that of a Pool Director. The question becomes how to balance competing

Continued on page 18

Jill Lowe, Continued from page 16

conduct site visits and offer loss control expertise that will positively impact Pool losses. Staff work with members to integrate innovative practices and to ensure positive loss control change.

Loss Control Workshops offered in Pool Year 2013:

Employment Law Related Claims - Employment law related claims, while relatively few in number, account for the highest average per claim cost. *Staying Out of Court On Employment Claims* training was offered in nine locations throughout Washington State. In addition, *Conducting Difficult Conversations*, *Conducting Effective Performance Evaluations*, and *Management and Supervisory Training* workshops were presented.

Cyber Security, Risk and Liability - Nine workshops on Cyber Security, Risk and Liability were offered. The first 90 minutes was intended to provide county officials with information on current cyber risk, the liability landscape and potential losses. The remainder of the class time provided IT officials with a deeper technical review and a three to five year roadmap for cyber security implementation.

Other Loss Control Programs

Risk Manager, Claims Administrator, Board Members - The Pool Board meets three times during the year to discuss Pool business and receive training. *Cyber Liability*, *Public Duty Doctrine*, *Legislative Issues* and *Contracts and Your Joint Self Insurance Coverage* were topics presented to meeting attendees. The Washington State Patrol brought the newly purchased "Instructional Driving Simulator" to the autumn meeting and provided hands on, individual demonstrations. The summer meeting Roundtable included a full three hours dedicated to the sharing of challenges and achievements and short presentations made by scholarship recipients.

Law Enforcement/Corrections - Seventeen member county law enforcement and corrections agencies participated in the Lexipol program. Law enforcement deputies receive daily training in low frequency and high severity issues. Lexipol released their Custody program and member counties found it valuable.

Sample Policy Library, White Papers and Webinars - A search engine has been added to the Pool's website due to the large number of sample policies and white papers available for member counties.

Continued on page 18



Washington Counties Risk Pool

David Goldsmith, Continued from page 17

responsibilities and to make a more effective Board member. The next issue explored was how to elevate the Board of Directors from that of fiduciary mode of governing to one that becomes the organization’s strategic and visionary partner. Participants had an opportunity to discuss and integrate these concepts in a facilitated discussion.

Jill Lowe, Continued from page 17

WCRP is focusing efforts on recording training sessions and webinars for the website.

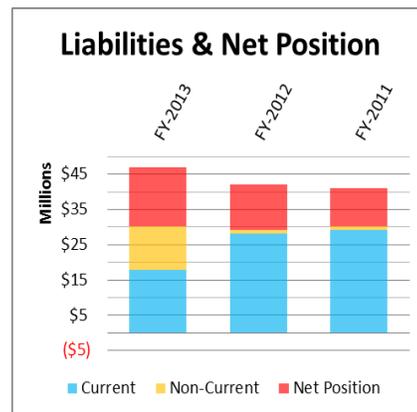
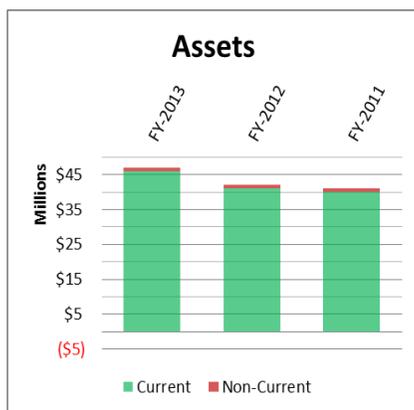
HELPLine, Certified Public Officials Program and Labor Relations Institute – These programs provide additional resources specific to Washington State employment law and provide county officials the tools to enhance leadership and decision-making ability.

2012-13 TRAINING SNAPSHOT



Executive Director Vyrle Hill, Continued from page 4

adjustments by the independent actuary, PricewaterhouseCoopers LLP (“PwC”), to the Pool’s claims-related reserves, and to the reduction (-26%) in the premiums to acquire the reinsurance, excess insurance and property insurance policies requested by the Board.



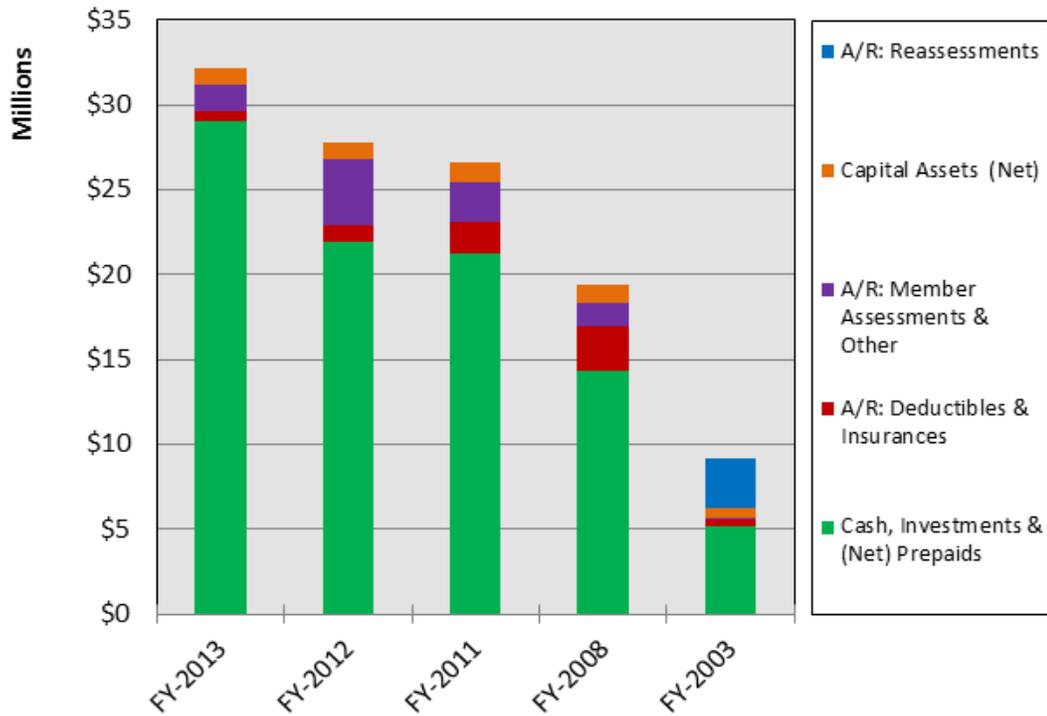
More challenges remain, that we do know. But the Pool’s quarter-century journey thus far has provided those involved in its “pooling” concept with the opportunity to mature from the innocence of infancy to the awareness and wisdom that is customary of adulthood. The Pool continues on with greater optimism... its qualities, the insuring options it makes available for its membership, and its financial strength all combine to make the Washington Counties Risk Pool a very viable entity. I am most pleased to have been associated with this unique public service organization since its establishment many years ago.



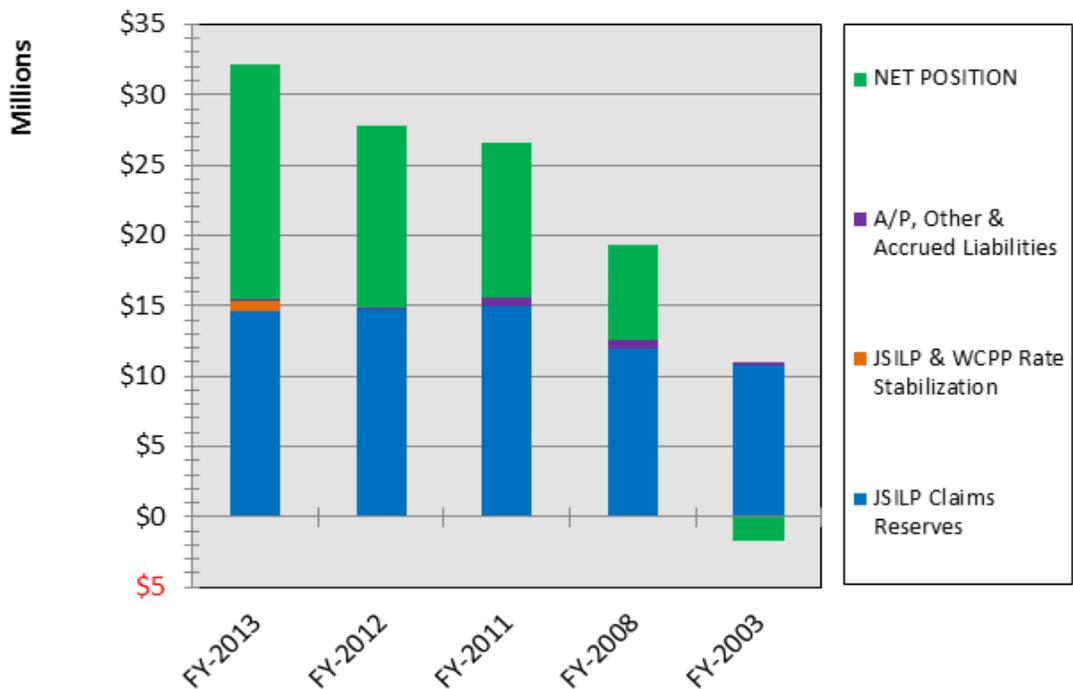
Washington Counties Risk Pool

Comparative Summarized Balance Sheets

WCRP Categorized Assets



WCRP Categorized Liabilities & Net Position





WASHINGTON COUNTIES RISK POOL
COMPARATIVE STATEMENT OF NET POSITION

	AUDITED				
	FY-2013	FY-2012	FY-2011	FY-2008	FY-2003
ASSETS:					
CURRENT ASSETS:					
Cash and Cash Equivalents	\$ 17,745,096	\$ 21,544,798	\$ 35,737,237	\$ 19,317,651	\$ 4,312,543
Cash and Cash Equivalents - Restricted	-	14,695,575			
Investments	26,135,502		-	-	800,000
JSILP Deductibles & Reinsurance Receivables	524,721	1,019,378	1,837,842	2,639,448	464,749
JSILP Assessments Receivable	892,124	897,477	2,139,792	943,787	98,301
Member Reassessments Receivable	-		-	-	2,883,801
WCPP Assessments Receivable	702,421	2,857,829	243,299	412,721	
Prepaid Expenses	4,375	3,500	2,000	6,647,496	17,383
Other Accounts Receivables	13,569	140,530	33,322	-	-
A. Johnson Restitution Recovery			-		
TOTAL CURRENT ASSETS	\$ 46,017,808	\$ 41,159,087	\$ 39,993,492	\$ 29,961,103	\$ 8,576,777
NONCURRENT ASSETS:					
Total NonCurrent Assets	\$ 919,442	\$ 950,134	\$ 1,133,848	\$ 1,103,766	\$ 593,395
TOTAL ASSETS	\$46,937,250	\$42,109,221	\$41,127,340	\$31,064,869	\$9,170,172
LIABILITIES:					
CURRENT LIABILITIES:					
Claims Reserves - "SIR"					\$ 10,184,040
Reserves for Open Claims	\$ 1,029,553	\$ 2,486,685	\$ 3,219,531	\$ 2,898,097	
IBNR Claims Reserve	-	1,814,161	2,353,447	4,395,431	
Claims Reserves - "Corridor(s)"					
Reserves for Open Claims	2,017,431	4,853,147	5,358,868	1,225,000	
IBNR Claims Reserve	-	4,554,868	3,216,068	2,577,571	
Accounts Payable	44,729	117,772	496,219	591,462	111,331
Unearned Revenue - Members Assessments	14,797,219	14,339,071	14,523,683	11,680,556	-
Custodial Account - L&I Retro Program					
TOTAL CURRENT LIABILITIES	\$ 17,888,932	\$ 28,165,704	\$ 29,167,816	\$ 23,368,117	\$ 10,295,371
NONCURRENT LIABILITIES:					
Claims Reserves - "SIR"					
Reserves for Open Claims	\$ 1,973,957				
IBNR Claims Reserve	410,985				
Claims Reserves - "Corridor(s)"					
Reserves for Open Claims	2,545,642				
IBNR Claims Reserve	5,472,852				
"\$8Mx\$2M 10% Quota Share" Reserve	150,000				
Reserve for ULAE	1,015,285	\$ 986,717	\$ 844,207	\$ 860,564	\$ 550,000
Accrued Liabilities	93,662	93,783	85,266	57,684	78,803
JSILP Rate Stabilization Account	661,000				
WCPP Rate Stabilization Account	2,090				
TOTAL NONCURRENT LIABILITIES	\$ 12,325,473	\$ 1,080,500	\$ 929,473	\$ 918,248	\$ 628,803
TOTAL LIABILITIES	\$ 30,214,405	\$ 29,246,204	\$ 30,097,289	\$ 24,286,365	\$ 10,924,174
NET POSITION:					
Restricted - WAC 200.100.03001(3) Compliance	\$ 920,000	\$ 797,841	\$ 905,393		
Restricted - WCRP Underwriting Policy Section D	11,580,000	4,036,935	4,558,616	\$ 5,674,738	\$ (1,754,002)
Restricted - Franjo Beach Property Recovery	-	-	150,000		
Capital Assets Net of Debt	919,442	950,134	983,848	1,103,766	593,395
Non Restricted Net Position	3,303,403	7,078,107	4,432,194	-	-
Total Net Position	\$ 16,722,845	\$ 12,863,017	\$ 11,030,051	\$ 6,778,504	\$ (1,160,607)
TOTAL LIABILITIES AND NET POSITION	\$46,937,250	\$ 42,109,221	\$41,127,340	\$31,064,869	\$9,763,567



**WASHINGTON COUNTIES RISK POOL
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN WCRP NET POSITION**

	AUDITED				
	FY 2013	FY 2012	FY 2011	FY 2008	FY 2003
OPERATING REVENUES:					
Member Assessments -- Liability Insurance	\$ 11,487,536	\$ 11,648,053	\$ 11,354,006	\$ 9,141,287	\$ 10,257,476
Member Assessments -- Property Insurance	2,927,485	2,799,807	2,606,107	2,322,428	
Insurance Recovery					
Reassessments for Prior Years					-
Miscellaneous Operating Income	150,000	107,627	106,930	100,000	6,367
Total Operating Revenues	\$ 14,565,021	\$ 14,555,487	\$ 14,067,043	\$ 11,563,716	\$ 10,263,844

OPERATING EXPENSES:					
Current Year's SIR Reserve	\$ 1,531,606	\$ 1,605,472	\$ 1,570,125	\$ 1,264,343	
Prior Years' SIR Reserves Adjustment	(1,905,071)	(1,913,306)	(850,922)	(251,088)	5,809,763
Current Year's "Corridor" Reserve	3,600,000	2,375,000	2,375,000	1,825,000	
Prior Years' "Corridor" Reserves Adjustment	(1,795,695)				
Current Year's "10% \$8Mx\$2M QS" Reserve	150,000				
Over SIR Claims Expense (unbilled)					
Reserve for ULAE	28,568	142,510	(45,092)	40,932	-
Reinsurance Premiums	3,199,125	5,602,250	5,480,000	3,806,063	4,672,575
10x10 Excess Insurance Premiums	480,125	454,345	459,103	302,581	
Optional 5x20 Excess Insurance Premiums	66,365	56,513	65,951	82,209	
JSILP Rate Stabilization Account	730,000				
Property Insurance Premiums	2,798,095	2,726,208	2,535,007	2,260,094	
WCPP Rate Stabilization Account	2,090				
Depreciation Expense	51,673	55,831	49,661	70,947	
Bad Debt Expense		-	-	-	
Operating Expenditures	1,879,943	1,677,653	1,663,458	1,341,814	962,391
Total Operating Expenses	\$ 10,816,824	\$ 12,782,476	\$ 13,302,291	\$ 10,742,895	\$ 11,444,729

Operating Income	\$ 3,748,197	\$ 1,773,011	\$ 764,752	\$ 820,821	\$ (1,180,885)
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NON OPERATING REVENUES (EXPENSES):					
Interest Income	\$ 150,638	\$ 47,004	\$ 55,930	\$ 630,365	\$ 152,561
Rental Income on Suites 104 & 110	30,731	17,269	-	10,314	
Suite Rental Expenses	(5,215)	(6,319)	-	(2,114)	
Gain (Losses) on Capital Asset Disposition		2,000	-	-	-
Miscellaneous Income	1,487	-	-	855	
Fraud: Recovery of Franjo Beach Property	(66,010)	-	-		
Total Nonoperating Revenues (Expenses)	\$ 111,631	\$ 59,954	\$ 55,930	\$ 639,420	\$ 152,561

CHANGES IN NET POSITION	\$ 3,859,828	\$ 1,832,965	\$ 820,682	\$ 1,460,241	\$ (1,028,324)
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TOTAL NET POSITION, Beginning of Year	\$ 12,863,017	\$ 11,030,052	\$ 10,209,370	\$ 5,318,264	\$ (725,678)
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TOTAL NET POSITION, End of Year	\$ 16,722,845	\$ 12,863,017	\$ 11,030,052	\$ 6,778,505	\$ (1,754,002)
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Statement of Cash Flow

For the Fiscal Years Ended September 30, 2013 and 2012

	Year Ended 9/30/2013	Year Ended 9/30/2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from Members & Insurers	\$ 17,085,548	\$13,709,915
Cash payments for goods and services	(8,639,520)	(12,527,516)
Cash payments to employees for services	(896,452)	(867,101)
Net Cash Provided (Used) by Operating Activities	\$ 7,549,576	\$ 315,298
CASH FLOW FROM CAPITAL ACTIVITIES:		
Purchase of Equipment & Building	\$ (20,981)	\$ (22,117)
Cash from Rental of Office (net)	25,516	10,950
Non Operating Miscellaneous Income	1,485	-
Bad Debt Expense – Franjo Beach Property Recovery	(66,010)	-
Gain on Sale of Assets	-	2,000
Sale of Property Held for Resale	-	150,000
Net Cash Provided (Used) by Investing Activities	\$ (59,989)	\$ 140,833
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Income	\$ 150,638	\$ 47,004
Net Cash Provided (Used) by Investing Activities	\$ 150,638	\$ 47,004
Increase (Decrease) in Cash and Cash Equivalents	\$ 7,640,225	\$ 503,135
Cash and Cash Equivalents - Beginning of the Year	\$ 36,240,373	\$35,737,238
Cash and Cash Equivalents (including restricted) - End of the Year	\$ 43,880,599	\$36,240,373

The accompanying notes are an integral part of this financial statements

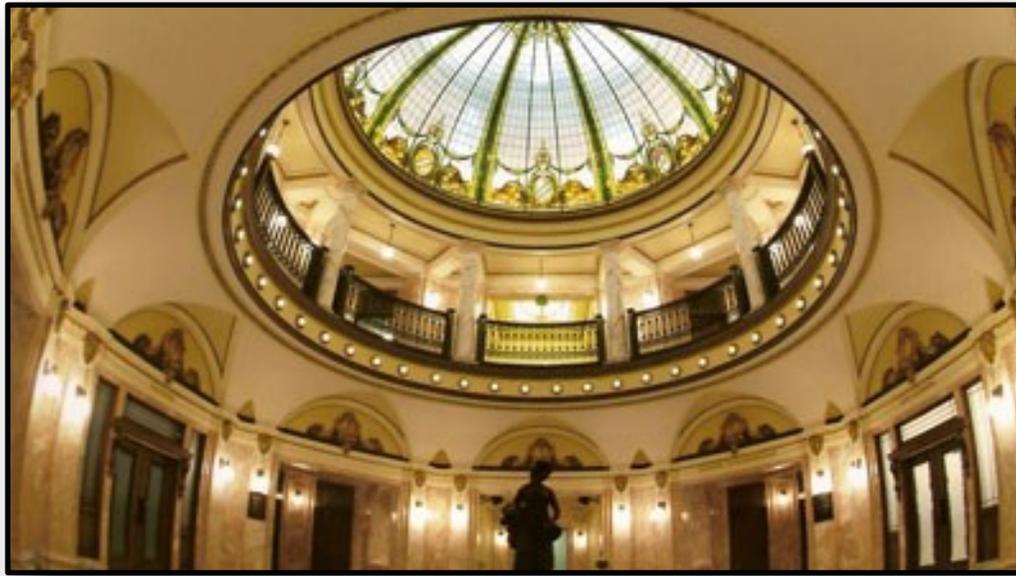
	Year Ended 9/30/2013	Year Ended 9/30/2012
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 3,748,197	\$ 1,773,011
Adjustments to Reconcile Net Operating Income to Net Cash provided (used) by Operating Activities:		
Depreciation Expense	51,672	55,831
Increase (Decrease) in Accounts Receivable	2,782,378	(660,959)
Increase (Decrease) in "SIR" Reserves	(886,350)	(1,272,133)
Increase (Decrease) in "8x2 10% Quota Share" Reserve	150,000	-
Increase (Decrease) in "1st/2nd Layers' Corridor" Reserves	627,910	833,079
Increase (Decrease) in Reserve for ULAE	28,568	142,510
Increase (Decrease) in JSILP Stabilization Account	661,000	-
Increase (Decrease) In WCPP Stabilization Account	2,090	-
Increase (Decrease) in Unearned Revenue	458,148	(184,613)
Increase (Decrease) in Accounts Payable	(73,043)	(378,447)
Increase (Decrease) in Accrued Liabilities	(121)	8,516
Increase (Decrease) in Prepaid Expenses	(876)	(1,500)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 7,549,577	\$ 315,298
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Investment Held for Resale - Franjo Beach Property	\$ -	\$ 150,000



Washington Counties Risk Pool

CLAIMS DEVELOPMENT October 1, 2004 - September 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1. Required Contribution and investment revenue:										
Earned	11,721,713	12,042,031	13,182,912	12,221,809	12,203,136	11,993,561	14,732,223	14,122,973	14,602,491	14,715,659
Ceded	6,791,100	7,019,288	6,398,439	3,772,810	3,806,063	3,697,000	5,480,000	5,480,000	5,602,250	3,199,125
Net earned	4,930,613	5,022,743	6,784,473	8,448,999	8,397,073	8,296,561	9,252,223	8,642,973	9,000,241	11,516,534
2. Unallocated expenses	1,375,775	1,590,008	2,955,343	4,148,923	4,098,577	4,528,441	4,880,297	4,728,089	5,113,060	6,036,859
3. Estimated claims and expenses end of policy year:										
Incurred							14,000,000	13,000,000	10,200,000	8,000,000
Ceded							9,750,000	8,950,000	6,375,000	3,125,000
Net incurred	1,900,000	1,510,000	1,850,000	3,895,000	3,875,000	4,075,000	4,250,000	4,050,000	3,825,000	4,875,000
4. Net paid (cumulative) as of:										
End of policy year:	68,432	-	100,676	75,153	87,032	-	41,325	42,951	193,680	19,510
One year later	273,951	161,478	443,146	207,883	227,021	197,532	519,161	648,326	380,131	
Two years later	425,821	294,511	1,001,021	751,102	541,119	605,051	477,611	959,084		
Three years later	655,369	773,209	1,251,293	1,278,211	1,244,824	1,071,363	1,049,714			
Four years later	928,018	974,077	1,414,271	1,654,586	2,066,751	1,437,932				
Five years later	956,566	1,066,499	1,462,579	2,071,627	2,267,997					
Six years later	1,005,907	1,068,789	1,488,882	2,113,346						
Seven years later	1,009,105	1,068,789	1,488,881							
Eight years later	1,009,500	1,068,789								
Nine years later										
5. Reestimated ceded claims and expenses	3,818,345	5,587,673	12,224,511	9,910,450	6,528,605	9,140,000	8,700,000	8,950,000	6,375,000	3,125,000
6. Reestimated net incurred claims and expenses:										
End of policy year:	1,900,000	1,510,000	1,850,000	3,895,000	3,875,000	4,075,000	4,250,000	4,050,000	3,825,000	4,875,000
One year later	1,765,000	1,610,000	2,345,000	3,770,000	3,700,000	3,875,000	4,300,000	3,575,000	3,500,000	
Two years later	1,510,000	1,890,000	2,575,000	3,350,000	3,200,000	3,660,000	3,745,000	3,235,000		
Three years later	1,335,000	1,540,000	2,060,000	3,519,745	2,971,395	3,472,159	2,475,172			
Four years later	1,168,000	1,320,000	1,579,433	3,089,550	2,664,731	2,694,107				
Five years later	1,084,000	1,103,064	1,575,489	2,946,327	2,547,037					
Six years later	1,055,394	1,069,664	1,488,882	2,481,812						
Seven years later	1,038,861	1,068,789	1,488,881							
Eight years later	1,009,500	1,068,789								
Nine years later	1,009,500									
7. Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(\$890,500)	(\$441,211)	(\$361,119)	(\$1,413,188)	(\$1,327,963)	(\$1,380,893)	(\$1,774,828)	(\$815,000)	(\$325,000)	



HISTORY OF THE RELATIONSHIP BETWEEN THE PACIFIC COUNTY COURTHOUSE (Pictured on the Cover)
AND THE FRANKLIN COUNTY COURTHOUSE (Pictured Above)

Construction of the Pacific County Courthouse in South Bend, Washington, which was dubbed "The Gilded Palace of Extravagance" by the editor of the local newspaper, began in 1910 and was completed in 1911, by the Northwest Bridge Company of Portland, Oregon at a cost of \$132,000. The same design by Seattle Architect E. Lewis Wilson and Company, in the Ecole de Beaux Arts style, and built by Misho-Grant General Contractors of Seattle, was also used to serve as the Franklin County Courthouse in Pasco, Washington. The structure was completed in 1912 and dedicated in 1913, at a cost of \$82,016, and included the marble interior and many other ornate details eliminated from the Pacific County Courthouse due to budget constraints. In the 1940's, the Pacific County Commissioners made up for the lack of interior detail by assigning a County inmate the task of painting the panels in the foyer with scenes from the early history of Pacific County and to paint the cement columns on the second floor of the rotunda to look like marble. The two courthouses are mirror images of one another. Both structures exhibit extensive, beautiful, hand-crafted, back-lit colored leaded glass accents in their domes and skylights, grand arches, alcoves, exquisite lighting fixtures, spiral marble staircases, carved wood accents, rich solid wood panels, tooled metals and stately trim.

Both courthouses have undergone restorations. Pacific County has had several minor restorations with the major undertaking of restoring and cleaning the art glass dome in 1980. The Franklin County Courthouse underwent extensive restoration beginning in 2004 and completed in 2006. As with any project, improvements were made on the Franklin County Courthouse in the second go-around with materials and design intended in the original construction but limited by budget, including marbled scagliola, an imitation of ornamental marble, a crafted copper dome, a sculptured goose atop the dome, a stately clock in the dormer of the cupola above the entrance and an eagle with raised wings coated in 23-carat gold above the words "Franklin County" as you enter the Courthouse.

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REQUEST FOR INFORMATION:

The information included in this report is designed to provide a general overview of the Washington Counties Risk Pool. Questions concerning this information, or requests for additional information, should be addressed to Executive Director Vyrlle Hill or Accounting Officer Sue Colbo.