



WASHINGTON
COUNTIES RISK POOL
2015-2016
ANNUAL REPORT

We are proud to present to you the 2015-16 Annual Report of the Washington Counties Risk Pool.

The WCRP continues to maintain a strong fund balance and membership retention. The Board of Directors has been dedicated to rate stabilization for the membership, and in 2016 that effort served us well. Faced with an increase in claim costs and subsequently, an increase in member assessments, the Board of Directors voted to utilize \$1 million of the Pool's fund balance in an effort to reduce the financial burden to the members.

The new Executive Director had a busy year, recruiting three new staff members to fill position vacancies in Claims, Member Services, and Administration & Finance. These staff members have been a wonderful addition to the WCRP team and have made great strides in learning the Pool's culture and goals. We are lucky to have skilled and dedicated staff on board to help accomplish the mission of the Board of Directors.

Thank you for the opportunity to serve as the WCRP's Officers and Executive Director, and thank you to the Board of Directors, the Executive and Standing Committees, along with the staff and our various partners for their hard work, support, and a successful 2015-16 Fiscal Year.



LISA YOUNG
2015-16
President



KEITH GOEHNER
2015-16
Vice-President



ANDREW WOODS
2015-16
Secretary/Treasurer



DEREK BRYAN
Executive Director

WCRP EXECUTIVE COMMITTEE

Keith Goehner

Commissioner, Chelan County

Tammy Devlin

Risk Manager, Thurston County

Drew Woods

Public Works Director, Columbia County

David Alvarez

Chief Civil Deputy Prosecuting Attorney, Clallam County

Clyde Carpenter

Risk Manager, Cowlitz County

Steven Clem

Prosecuting Attorney, Douglas County

Robert Koch

Commissioner, Franklin County

Jill Johnson

Commissioner, Island County

Lisa Young

Human Resources Manager
Kittitas County

Mike Thomas

County Manager, San Juan County

Steve Bartel

Director, Risk Management
Department, Spokane County

Adams County

Jeffrey Stevens,
Commissioner
Alt: Patricia Phillips,
Clerk of the Board

Benton County

Lexi Wingfield,
Personnel Manager
Alt: Ryan Lukson,
Deputy Prosecutor

Chelan County

Keith Goehner,
Commissioner
Alt: Cathy Mulhall,
County Administrator

Clallam County

Rich Sill, HR Director
Alt: James Jones,
County Administrator
Alt: David Alvarez,
Chief Civil Deputy
Alt: Mark Nichols,
Prosecuting Attorney
Alt: Tammy Sullenger,
HR Analyst

Columbia County

Mike Talbott,
Commissioner
Alt: Andrew Woods,
Public Works Director

Cowlitz County

Clyde Carpenter, Risk
Manager
Alt: Claire Hauge, OFM
Director

Douglas County

Steven Clem,
Prosecuting Attorney
Alt: Thad Duvall,
Auditor
Alt: Jordyn Giulio,
Records & Risk Manager

Franklin County

Robert Koch,
Commissioner
Alt: Shawn Sant,
Prosecuting Attorney
Alt: Jennifer Johnson,
Civil Prosecutor

Garfield County

Wynne McCabe,
Commissioner
Alt: Robert Johnson,
Commissioner
Alt: Justin Dixon,
Commissioner

Grays Harbor County

Vickie Raines,
Commissioner
Alt: Wes Cormier,
Commissioner

Island County

Jill Johnson,
Commissioner
Alt: Elaine Marlow,
Budget Director

Jefferson County

Philip Morley, County
Administrator
Alt: Philip Hunsucker,
Deputy Prosecutor

Kittitas County

Lisa Young, Human
Resources Manager
Alt: Greg Zempel,
Prosecuting Attorney
Alt: Judy Pless, Budget
& Finance Manager
Alt: Chris Horner, DPA

Lewis County

Paulette Young, Risk &
Safety Administrator
Alt: Gary Stamper,
Commissioner

Mason County

Tim Sheldon,
Commissioner
Alt: Randy Neatherlin,
Commissioner
Alt: Terri Jeffreys,
Commissioner
Alt: Dawn Twiddy,
HR/Risk Manager

Okanogan County

Tanya Craig, Human
Resources Director/Risk
Manager
Alt: Albert Lin, Chief DPA
Alt: Chris Branch,
Commissioner

Pacific County

Kathy Spoor,
Administrative Officer
Alt: Lisa Olsen,
Commissioner
Alt: Mark McClain,
Prosecuting Attorney

Pend Oreille County

Teresa Brooks, Admin
Assist to Director
Alt: Spencer
Shanholtzer, HR Manager
Alt: Christine Rahoun,
Safety Officer

San Juan County

Michael Thomas,
County Manager
Alt: James Wolf,
HR/Risk Manager

Skagit County

Jessica Neill Hoyson,
HR/Risk Manager
Alt: Donnie LaPlante, Sr.
HR/Risk Analyst
Alt: Arne Denny, Civil DPA
Alt: Sharon Dubois,
Safety & Health
Alt: Tim Holloran,
County Administrator

Skamania County

Adam Kick,
Prosecuting Attorney
Alt: Doug McKenzie,
Commissioner
Alt: Debi Van Camp,
Human Resources

Spokane County

Steve Bartel, Director,
Risk Management
Alt: Rob Binger, Senior DPA
Alt: Lauren Williams,
Liability Adjuster

Thurston County

Bud Blake,
Commissioner
Alt: Tammy Devlin,
Risk Manager
Alt: Jon Tunheim,
Prosecuting Attorney

Walla Walla County

Jesse Nolte, DPA
Alt: James Duncan,
Commissioner
Alt: Shelly Peters,
Human Resources

Whatcom County

Karen Goens,
HR Manager
Alt: Christopher Quinn,
Civil Deputy
Alt: Nan Kallunki, HR
Associate Manager

Yakima County

Joseph Brusica,
Prosecuting Attorney
Alt: Cindy Erwin,
Paralegal
Alt: Don Anderson,
Chief Civil DPA

WCRP COVERAGE

CYBER

\$1 million in limits
(Per Occurrence -
\$5M Aggregate)

\$25K Pool SIR

\$0 Member
Deductibles

LIABILITY

\$5 million Excess of
\$20 million

\$10 million Excess of
\$10 million

\$5 million Reinsurance
Excess of \$5 million

\$3 million
Reinsurance Excess
of \$2 million

\$1.9 million
Reinsurance Excess
of \$100,000
Corridor Layer

\$0-\$100,000 WCRP
SIR Member
Deductibles from
\$10,000-\$500,000

PROPERTY

\$500 million in limits

\$0 Pool SIR

Earth Movement =
\$200M
\$100,000 Member
Deductibles

Flood= \$200M
(25M in SFHA)
\$100,000 Member
Deductibles

Skagit County

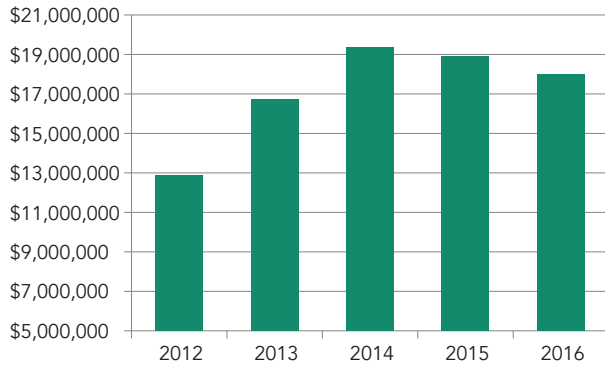


Pend Oreille County

WCRP NET POSITION

OUR FINANCIAL FOCUS

- Target-based Funding
- Rate Stability
- Prudent Investing
- Regulatory Compliance
- Funding for the Future

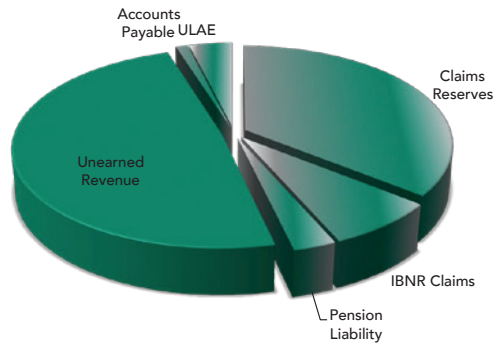
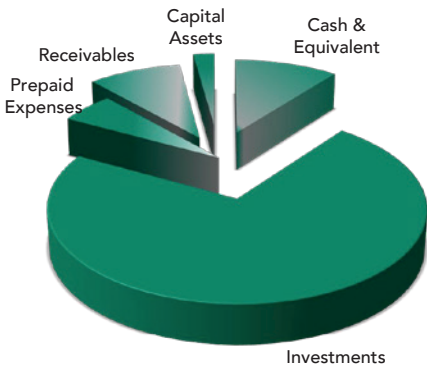


TOTAL ASSETS
\$46,849,889

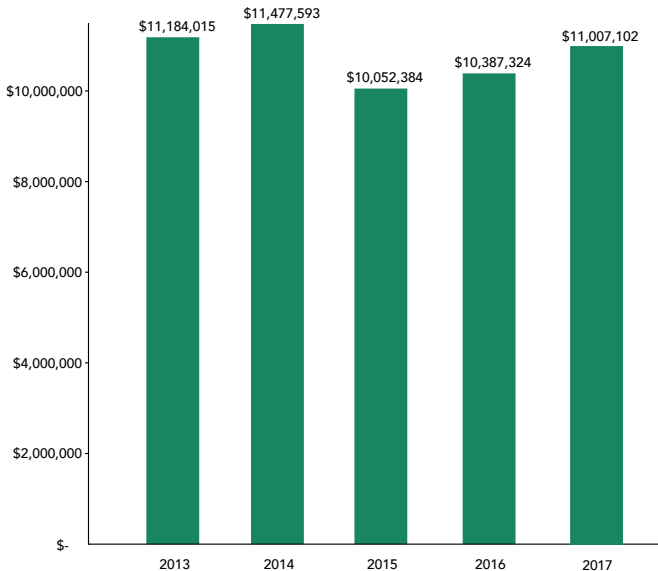
TOTAL LIABILITIES
\$28,998,959

TOTAL ASSETS = \$46,849,889

TOTAL LIABILITIES = \$28,998,959



WCRP LIABILITY PROGRAM ASSESSMENTS FIVE YEAR COMPARISON



ASSESSMENTS

2013 \$	11,184,015
2014 \$	11,477,593
2015 \$	10,052,384
2016 \$	10,387,324
2017 \$	11,007,102

For the Fiscal Years Ended September 30, 2016 and 2015

OPERATING REVENUES

	Year Ended 9/30/16	Year Ended 9/30/15
Members' Assessments -- MLC Coverage	\$10,654,325	\$10,276,349
Members' Assessments -- Cyber Coverage	\$126,005	\$93,697
Members' Assessments -- WCPP Insurance	2,696,205	2,782,175
Member Services - Revenues	150,000	150,000
Total Operating Revenues	\$13,626,535	\$13,302,221

OPERATING EXPENSES:

Current Year's "SIR" Reserves	\$1,008,468	\$1,099,403
Current Year's "1st/2nd Layers' Corridor" Reserves	3,450,000	3,350,000
Adjustment in Prior Years' "SIR" Reserves	575,252	(4,642)
Adjustment to Prior Years' "1st/2nd Layers' Corridor" Reserves	(507,141)	13,868
Adjustment in Reserve for ULAE	129,548	(29,406)
Adjustment of Prior Year's 8x2 10% Quota Share" Reserve	(120,000)	110,000
MLC Reinsurance Premiums	3,399,350	3,320,056
Excess Liability Insurance Policies Premiums	507,363	501,269
Cyber Premiums	126,005	93,697
WCPP Insurance Premiums	2,485,368	2,681,290
Depreciation Expense	78,389	72,644
Operating Expenditures	3,755,975	2,179,497
Total Operating Expenses	\$14,888,576	\$13,387,676

OPERATING INCOME (LOSS)

\$(1,262,041) \$(85,455)

NON OPERATING REVENUES (EXPENSES)

Interest and Investment Income	\$340,586	\$257,362
Rental Income	38,137	35,956
Rental Expense	(6,380)	(9,098)
Fair Value Adjustment on Investments	(55,261)	
Gain (Losses) on Capital Assets Disposition	2,252	
Total Nonoperating Revenues (Expenses)	\$319,334	\$284,220
CHANGES IN NET POSITION	\$(942,707)	\$(198,765)

TOTAL NET POSITION, Beginning of Year	\$18,916,105	\$19,369,170
Change in Accounting Principles -- GASB 68		\$(651,830)
PRIOR PERIOD ADJUSTMENT		

TOTAL NET POSITION, End of Year	\$17,973,398	\$18,916,105
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The accompanying notes are an integral part of these financial statements



As of September 30, 2016 and 2015

ASSETS	As of 9/30/16	As of 9/30/15
CURRENT ASSETS:		
Cash and Cash Equivalents	\$4,896,133	\$3,536,452
Investments	33,966,134	40,765,231
Receivables:		
Members' MLC Deductibles Receivable	715,119	571,772
Excess Insurance/Reinsurance Recoverable	178,909	541,618
Members' MLC Assessments Receivable	609,756	1,491,720
Members' Cyber Liability Receivable	13,115	
Members' WCPP Assessments Receivable	2,701,123	759,650
Other Accounts Receivables	131,482	26,843
Accrued Interest	44,351	7,676
Prepaid Expenses	2,582,677	2,660
TOTAL CURRENT ASSETS	\$45,838,799	\$47,703,622
NONCURRENT ASSETS:		
Capital Assets (Net of Accumulated Depreciation)	\$1,011,091	\$1,089,480
TOTAL NON CURRENT ASSETS	\$1,011,091	\$1,089,480
TOTAL ASSETS	\$46,849,889	\$48,793,102
TOTAL DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows -- GASB 68	\$134,538	\$63,610
LIABILITIES		
CURRENT LIABILITIES:		
Claims Reserves:		
"SIR" Reserves		
Open Claims - SIR Reserves	\$1,177,614	\$1,038,133
IBNR Reserve - SIR		
"1st/2nd Layers' Corridor" Reserves		
Open Claims - Corridor Reserves	4,141,666	2,750,093
IBNR Reserve - Corridor		
Accounts Payable	219,305	240,493
Unearned Revenue - Members Assessments	14,144,409	13,426,532
TOTAL CURRENT LIABILITIES	\$19,682,994	\$17,455,251
NON CURRENT LIABILITIES		
Claims Reserves:		
"SIR" Reserves		
Open Claims - SIR Reserves	\$1,979,323	\$1,988,116
IBNR Reserve - SIR	65,544	(246,342)
Open Claims - Corridor Reserves	2,945,766	8,176,775
IBNR Reserve - Corridor	2,163,980	494,469
"8x2 10% Quota Share" Reserve	120,000	240,000
Reserve for ULAE	1,116,000	986,452
Compensated Absences	85,660	122,464
Net Pension Liability -- GASB 68	839,692	639,475
TOTAL NON CURRENT LIABILITIES	\$9,315,965	\$12,401,409
TOTAL LIABILITIES	\$28,998,959	\$29,856,660
TOTAL DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows on Pensions	\$12,069	\$83,946
NET POSITION		
Net Investment in Capital Assets	\$1,011,091	\$1,089,480
Unrestricted Net Position	16,962,308	17,826,626
TOTAL NET POSITION	\$17,973,399	\$18,916,106

CLAIMS

Claims over
\$100k
(10-1-1988 through
9-30-2016)
561

New claims
reported in
FY2016
477

Files closed in
FY2016
484

Total claims
(10-1-1988 through
9-30-2016)
22,684

Open claims
as of 9-30-2016
325

2015-2016

3 4 Trials
Defense Verdicts

58
Summary Judgment
Dismissals

4 Favorable State
Supreme Court
Decisions

101%
File Closure Ratio





Training Workshops
Provided
26

Workshop Attendees
846

Member Visits
58

WCRP Online
University Classes
Completed
791

**MEMBER
SERVICES
& LOSS
CONTROL**

Certified Risk
Managers
23

Exams Proctored
23

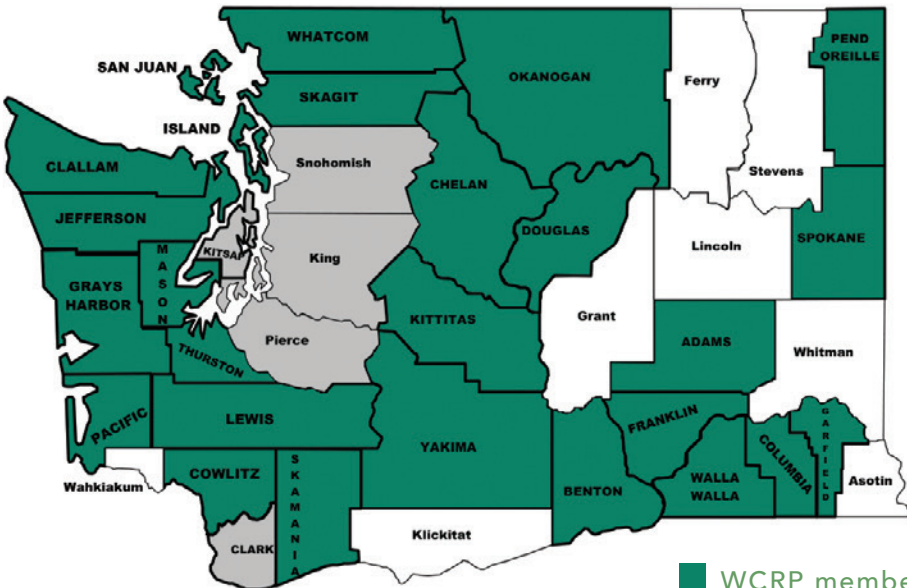
Scholarships
and Grants
Awarded
60/\$30,171

Certified Claims
Administrators
25

WCRP MISSION STATEMENT

“To provide comprehensive and economical risk coverage, reduce the frequency and severity of losses, and decrease costs incurred in the managing and litigation of claims.”

Okanogan County



WCRP STAFF

ADMINISTRATION & FINANCE

Derek Bryan, Executive Director
Sue Colbo, Accounting Officer
Shelese McConnell, Admin & Accounting Specialist

MEMBER SERVICES

Jill Lowe, Loss Control Coordinator
Hanna Braennstroem, Member Programs Specialist
Trish Todd, Office Assistant

CLAIMS

Susan Looker, Claims Manager
Mike Cook, Senior Claims Analyst
Holly Nelson, Senior Claims Analyst
Lisa McMeekin, Claims Analyst
Cort Campbell, Claims Representative
Sally King, Claims Assistant

SERVICE PARTNERS

Independent Actuary:

PricewaterhouseCoopers

Producer/Broker Services:

Arthur J. Gallagher,
Risk Management Services, Inc.

Independent Investment Advisor:

Chandler Asset Management

Independent Claims Auditor:

Strategic Claims Direction



Adams
Benton
Chelan
Clallam
Columbia
Cowlitz
Douglas
Franklin
Garfield
Grays Harbor
Island
Jefferson

Washington Counties Risk Pool
Created by Counties for Counties



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Tumwater, WA 98512
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Kittitas
Lewis
Mason
Okanogan
Pacific
Pend Oreille
San Juan
Skagit
Skamania
Spokane
Thurston
Walla Walla
Whatcom
Yakima