



WCRP

Washington Counties Risk Pool

2016 - 2017
ANNUAL REPORT

To the WCRP Members:

The WCRP's 2017 Fiscal Year has come to a close, with the last payment paid, the last receivable received, and the financial position transitioning even further from a projection toward an actuality. As your President, Vice-President, and Secretary/Treasurer, we present to you this 2017 Annual Report.

The 2017 Fiscal Year saw a number of key successes, including an increase in our Net Position, an annual financial audit with zero findings, numerous dismissals and defense verdicts, enhanced loss control and risk management efforts, and a broadening of our training and education programs. However, not unlike others in our industry, and in Washington State, the WCRP has also seen an increase in the insurance premiums we pay for excess and reinsurance coverage, coupled with a rise in the amount we pay for claims within our retention. Both of these can be traced to an increase in the number of claims we are having, and the cost of those claims across our various jurisdictions. The result has been an increase in overall costs over the past two years.

We will continue to prepare ourselves for the possibility of these continuing trends into 2018-19, but we will also continue making every effort to further enhance our risk management and training efforts to help in preventing losses, and also our efforts to drive down the cost of losses when they happen.

We wish to express our appreciation and thanks to you all for your continued support of this great organization. Thank you to the wonderful staff, our contracted consultants and to everyone who has and will play a role in our past and future success.

Thank you all.

Keith Goehner
Chelan County
2016-17 President

Tammy Devlin
Thurston County
2016-17 Vice-President

Andrew Woods
Columbia County
2016-17 Secretary/Treasurer

From the Executive Director:

For many years, the WCRP and its members have felt a continuity observed by few organizations. The longevity of many Board and Executive Committee members, as well as WCRP and county staff members, has maintained the Pool's tradition and given it the deep knowledge, experience and steadiness that saw it through many of the ups and downs that this and other risk pools have endured. Today, we face an inevitable evolution that we have known was coming - the retirement of key county and WCRP staff and Executive Committee members, and the succession of recruiting, hiring, and developing the new leaders and professionals that will carry the torch into the future.

Many wonderful and invaluable people will be "clocking out" over the coming years, while many equally wonderful and invaluable successors will be "clocking in". We in risk management are more attuned to this than others, for risk management is itself an analysis of what is coming. Change will touch every facet of this organization, from its administration, claims, and member services, to its governance and the composition of its membership. We ask that you join us in welcoming and embracing it. There are fantastic people joining this organization and accepting positions throughout the member counties. People who are eager to learn, eager to please, and eager to also be that continuity the WCRP has enjoyed for decades.

It's an exciting time for the WCRP and I speak for myself and for the entire WCRP staff in thanking the Executive Committee, Standing Committees, Board of Directors and everyone out in the Pool's membership for their collaboration, support and guidance as we navigate this organization into the future!

Derek Bryan
WCRP Executive Director



WCRP EXECUTIVE COMMITTEE

Keith Goehner
Commissioner, Chelan County

Tammy Devlin
Risk Manager, Thurston County

Andrew 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/Coroner,
Douglas County

Robert Koch
Commissioner, Franklin County

Jill Johnson
Commissioner, Island County

Lisa Young
HR Manager, Kittitas County

Michael Thomas
County Manager, San Juan County

Steve Bartel
Director of Risk Management,
Spokane County

WCRP BOARD OF DIRECTORS

Adams County

Amalia Perez, Human Resources Manager

Alt: Patricia Phillips, Clerk of the Board

Benton County

Paul Schut, Risk Manager

Alt: Ryan Lukson, Deputy Prosecutor

Chelan County

Keith Goehner, Commissioner

Alt: Cathy Mulhall, County Administrator

Clallam County

Rich Sill, Human Resources Director

Alt: Tom Reyes, HR/Risk Deputy Director

Alt: David Alvarez, Chief Civil Deputy Prosecuting Attorney

Alt: Tammy Sullenger, Human Resources Analyst

Columbia County

Mike Talbott, Commissioner

Alt: Andrew Woods, Public Works Director

Cowlitz County

Clyde Carpenter, Risk Manager

Alt: Axel Swanson, Chief of Staff

Douglas County

Steven Clem, Prosecuting Attorney/Coroner

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: Joy Carossino, Safety & Claims

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, Deputy Prosecutor

Lewis County

Gary Stamper, Commissioner

Alt: Wayne Whiton, Risk & Safety Administrator

Mason County

Randy Neatherlin, Commissioner

Alt: Terri Drexler, Commissioner

Alt: Kevin Shutty, Commissioner

Alt: Dawn Twiddy, Human Resources/Risk Manager

Okanogan County

Tanya Craig, Human Resources Director/Risk Manager

Alt: Chris Branch, Commissioner

Alt: David Gecas, Chief Civil Deputy Prosecuting Attorney

Pacific County

Kathy Spoor, Administrative Officer

Alt: Lisa Olsen, Commissioner

Alt: Mark McClain, Prosecuting Attorney

Pend Oreille County

Teresa Brooks, Risk Manager/Office Manager

Alt: Christine Rahoun, Safety Officer

San Juan County

Michael Thomas, County Manager

Alt: James Wolf, Human Resources/Risk Manager

Skagit County

Jessica Neill Hoyson, Human Resources/Risk Manager

Alt: Donnie LaPlante, Sr. Human Resources/Risk Analyst

Alt: Arne Denny, Civil Deputy Prosecuting Attorney

Alt: Sharon Dubois, Safety & Health Technician

Alt: Tim Holloran, County Administrator

Skamania County

Adam Kick, Prosecuting Attorney

Alt: Debi Van Camp, Human Resources

Spokane County

Steve Bartel, Director, Risk Management Department

Alt: Rob Binger, Senior Deputy Prosecuting Attorney

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, Deputy Prosecuting Attorney

Alt: James Duncan, Commissioner

Alt: Shelly Peters, Human Resources

Whatcom County

Karen Goens, Human Resources Manager

Alt: George Roche, Civil Deputy Prosecuting Attorney

Alt: Nan Kallunki, Human Resources Associate Manager

Yakima County

Joseph Brusica, Prosecuting Attorney

Alt: Don Anderson, Chief Civil Deputy Prosecuting Attorney

Alt: Cindy Erwin, Paralegal

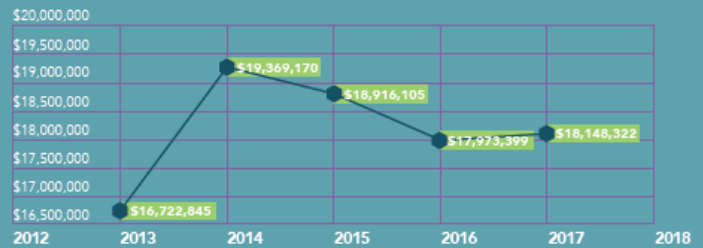
MEMBER SERVICES AND LOSS CONTROL

Training Workshops Provided 16	Workshop Attendees 430	Member Visits 35	WCRP On-line University Classes Completed 817	Certified Claims Administrators 26	Certified Risk Managers 26	Exams Proctored 13	Scholarships and Grants Awarded 31 / \$20,239
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CLAIMS

4 Trials / 3 Defense Verdicts	Summary Judgment Dismissals 41	File closure Ratio 98%
New Claims Reported in FY2017: 642	Files Closed in FY2017 631	Total Claims (10-1-1988 through 9-30-2017) 23,330
Claims Over \$100k (10-1-1988 through 9-30-2017): 585	Open Claims as of 9-30-2017 343	

NET POSITION FIVE YEAR COMPARISON



STATEMENT OF REVENUES & EXPENSES

	As of 9/30/17	As of 9/30/16
September 30, 2017 and 2016		
Members' Assessments — MLC Coverage	11,301,412	10,654,325
Members' Assessments — Cyber Coverage	113,662	126,005
Members' Assessments — WCPP Insurance	2,729,335	2,696,205
Other Operating Revenues	156,308	0
Member Services - Revenues	150,000	150,000
TOTAL OPERATING REVENUES	14,450,717	13,626,535
OPERATING EXPENSES		
Current Year's "SIR" Reserves	1,083,493	1,008,468
Current Year's "1st/2nd Layers' Corridor" Reserves	4,350,000	3,450,000
Adjustment in Prior Years' "SIR" Reserves	13,889	575,252
Adjustment to Prior Years' "1st/2nd Layers' Corridor" Reserves	(329,529)	(507,141)
Adjustment in Reserve for ULAE	107,328	129,548
Adjustment of Prior Year's 8x2 10% Quota Share" Reserve	(20,000)	(120,000)
MLC Reinsurance Premiums	3,791,751	3,399,350
Excess Liability Insurance Policies Premiums	613,879	507,363
Cyber Premiums	113,662	126,005
WCPP Insurance Premiums	2,614,484	2,485,368
Depreciation Expense	76,593	78,389
Operating Expenses	2,069,178	3,755,975
TOTAL OPERATING EXPENSES	14,484,727	14,888,576
OPERATING INCOME (LOSS)	(34,011)	(1,262,041)
NON OPERATING REVENUES (EXPENSES)		
Interest and Investment Income	285,939	340,586
Rental Income	39,889	38,137
Rental Expense	(5,122)	(6,380)
Fair Value Adjustment on Investments	(111,771)	(55,261)
Gain (Losses) on Capital Assets Disposition	0	2,252
Total Nonoperating Revenues (Expenses)	208,935	319,334
CHANGES IN NET POSITION	174,924	(942,707)
TOTAL NET POSITION, Beginning of Year	17,973,398	18,916,105
TOTAL NET POSITION, End of Year	18,148,322	17,973,399

The accompanying notes are an integral part of this financial statements

WCRP COVERAGE

WCRP COVERAGE		LIABILITY
PROPERTY	\$500 million in limits	\$5 million Excess of \$20 million
CYBER	\$1 million in limits (Per Occurrence - \$5M Aggregate)	\$10 million Excess of \$10 million
	\$25K Pool SIR	\$5 million Reinsurance Excess of \$5 million
	\$0 Member Deductibles	\$3 million Reinsurance Excess of \$2 million
	\$0 Pool SIR	\$1.9 million Reinsurance Excess of \$100,000 Corridor Layer
	Earth Movement = \$200M \$100,000 Member Deductibles	\$0-\$100,000 WCRP SIR Member Deductibles from \$10,000-\$500,000
	Flood= \$200M (25M in SFHA) \$100,000 Member Deductibles	

OUR FINANCIAL FOCUS

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

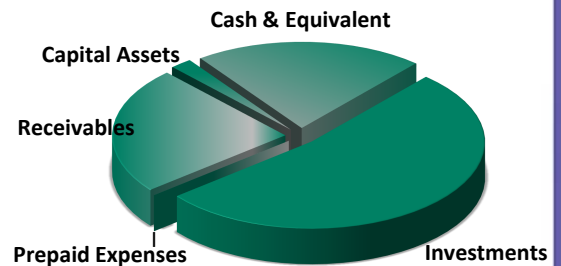
STATEMENT OF NET POSITION

September 30, 2017 and 2016

ASSETS

	As of 9/30/17	As of 9/30/16
CURRENT ASSETS:		
Cash and Cash Equivalents	10,059,410	4,896,133
Investments	24,631,073	33,966,134
Receivables:		
Members' MLC Deductibles Receivable	2,066,795	715,119
Excess Insurance/Reinsurance Recoverable	2,009,684	178,909
Members' MLC Assessments Receivable	4,161,352	609,756
Members' Cyber Liability Receivable	102,264	13,115
Members' WCPP Assessments Receivable	2,612,728	2,701,123
Other Accounts Receivables	109,272	131,482
Accrued Interest	51,965	44,351
Prepaid Expenses	3,690	2,582,677
TOTAL CURRENT ASSETS	45,808,233	45,838,799
NONCURRENT ASSETS:		
Capital Assets (Net of Accumulated Depreciation)	959,485	1,011,091
TOTAL NON CURRENT ASSETS	959,485	1,011,091
TOTAL ASSETS	46,767,717	46,849,889
TOTAL DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows -- GASB 68	109,957	134,538

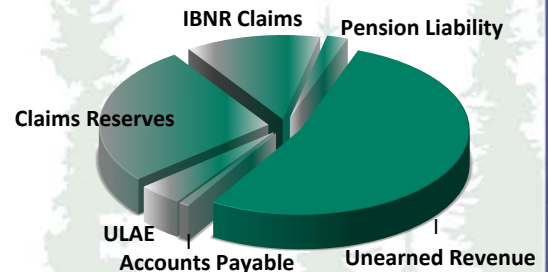
TOTAL ASSETS
\$46,767,717



LIABILITIES

CURRENT LIABILITIES:		
Claims Reserves:		
"SIR" Reserves		
Open Claims - SIR Reserves	767,876	1,177,614
IBNR Reserve - SIRZ	0	0
"1st/2nd Layers' Corridor" Reserves	0	0
Open Claims - Corridor Reserves	2,001,585	4,141,666
IBNR Reserve - Corridor	0	0
Accounts Payable	212,738	219,305
Compensated Absences	7,000	0
Unearned Revenue - Members Assessments	15,195,311	14,144,409
TOTAL CURRENT LIABILITIES	18,184,510	19,682,994
NON CURRENT LIABILITIES		
Claims Reserves:		
"SIR" Reserves		
Open Claims - SIR Reserves	1,551,156	1,979,323
IBNR Reserve - SIR	308,781	65,544
Open Claims - Corridor Reserves	3,226,502	2,945,766
IBNR Reserve - Corridor	3,399,431	2,163,980
"8x2 10% Quota Share" Reserve	100,000	120,000
Reserve for ULAE	1,223,328	1,116,000
Compensated Absences	68,795	85,660
Net Pension Liability -- GASB 68	572,674	839,692
TOTAL NON CURRENT LIABILITIES	10,450,667	9,315,965
TOTAL LIABILITIES	28,635,177	28,998,959
TOTAL DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows on Pensions	94,174	12,069
NET POSITION		
Net Investment in Capital Assets	959,485	1,011,091
Unrestricted Net Position	17,188,838	16,962,308
TOTAL NET POSITION	18,148,322	17,973,399

TOTAL LIABILITIES
\$28,635,177



The accompanying notes are an integral part of this financial statements.

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.”

WCRP STAFF

ADMINISTRATION & FINANCE

Derek Bryan, Executive Director
Sue Colbo, Accounting Officer
Erin Konrady, Admin & Accounting Specialist

MEMBER SERVICES

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

CLAIMS

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

SERVICE PARTNERS

Independent Actuary:

Producer/Broker Services:

Independent Investment Advisor:

PricewaterhouseCoopers
Arthur J. Gallagher,
Risk Management Services, Inc.
Chandler Asset Management



Washington Counties Risk Pool

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