



## **Washington Counties Risk Pool**

Annual Report 2014 - 15

## 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.





■ Member Counties

## Officer's Message

For twenty-seven years, the WCRP has provided its participating member counties with exceptional risk management, claims handling, and the ability to purchase group-based re-insurance and excess coverage. As an alternative to the individual direct-purchase of commercial insurance, the WCRP has been a resource, a partner and an achievement that each and every member should be proud of.

As we say goodbye to 2014-15, we also say goodbye to one of the Pool's most revered – Vyrle Hill, whose retirement became effective June 1, 2016. As one of the few individuals who played an integral role in the formation, the governance, and in the leadership of the WCRP, we wish Vyrle the best in his future endeavors and we thank him for his many years of service as a WCRP Board Member, as well as for his over eleven years as the WCRP Executive Director.

We are never immune from the challenges and lessons learned, but we are all in this together, and we all share in the ups and downs, as well as in the successes, challenges, and in our excitement for the future.

As your outgoing President, Vice-President, and Secretary/Treasurer, we extend our many thanks, our appreciation, and our anticipation for continued success to each and every one of our fellow members.

Onward and upward!!



William "Drew" Woods

2014-15 President



Lisa Young

2014-15 Vice President



Keith Goehner

2014-15 Secretary/Treasurer



## Executive Director's Message

It is both an honor and my privilege to have been selected as the new Executive Director of the Washington Counties Risk Pool, and I hope you all share in the excitement I feel in being able to work with the members and the staff to guide this exceptional Pool into the future. We will continue doing those things which we already do so well, and together we will find some innovative and new ways of doing things as we go forward.

We offer this, the 2014-15 WCRP Annual Report, to our members, partners, colleagues, and friends. You will find in the pages that follow, the who, what, when, where, and why of the WCRP. You will learn, or will be reminded of, who we are, what we offer, when we are covered, where we are financially, organizationally, and administratively, and finally, you'll understand why membership in a self-funded, self-insured risk management pool is, simply put, something different and something better.

As you read this report and join us in celebrating a positive 2014-15, I bring to your attention several noteworthy accomplishments which are exemplary of the fine staff you have here, working hard with members to drive down the frequency of claims, to fairly and quickly bring open claims to closure, and to maintain fiscal accountability for the membership and state regulators.

What you will see are total reported claims of 455, down 23% from the prior year, and a liability corridor program which has proven itself to be an overall smart choice. You'll see total member assessments have continued to remain stable year after year, with 2014-15's assessments at \$10,276,347. Investment earnings have remained respectable at \$257,362, up 17% from the prior year, and the WCRP ended 2014-15 with a fund balance of \$18,916,106, a very slight reduction of only 2.3% percent from last year.

With a nearly doubled number of member counties' staff being trained, and with \$10,658 paid in training scholarships, WCRP members continue to make education a priority. Adding a favorable Annual State Audit and review by the Washington State Risk Manager, 2014-15 can be considered a success.

Please join me in thanking the Board of Directors, the Executive Committee, the staff and our various partners for their contributions toward another great year, and in looking forward to many more to come.



Derek Bryan  
Executive Director

# WCRP Board of Directors

## **Adams County**

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

## **Benton County**

Lexi Wingfield, *Personnel Manager*  
Alt: Sandra Maine-Delepierre,  
*Safety & Training Coordinator*  
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: Mark Nichols,  
*Prosecuting Attorney*  
Alt: Tammy Sullenger, *HR Analyst*

## **Columbia County**

Andrew Woods,  
*Public Works Director*  
Alt: Dwight Robanske,  
*Commissioner*

## **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: Tim Dickerson, *Civil DPA*

## **Garfield County**

Wynne McCabe, *Commissioner*  
Alt: Robert Johnson, *Commissioner*  
Alt: Jennie Bowman, *Consultant*

## **Grays Harbor County**

Vickie Raines, *Commissioner*  
Alt: Wes Cormier, *Commissioner*  
Alt: Dale Gowan,  
*Director of Central Services*

## **Island County**

Jill Johnson, *Commissioner*  
Alt: Elaine Marlow, *Budget Director*

## **Jefferson County**

Philip Morley, *County Administrator*  
Alt: David Alvarez, *Civil DPA*

## **Kittitas County**

Lisa Young,  
*Human Resources Manager*  
Alt: Judy Pless,  
*Budget & Finance Manager*

## **Lewis County**

Paulette Young,  
*Risk & Safety Administrator*  
Alt: Gary Stamper, *Commissioner*  
Alt: Michael Strozyk,  
*Central Services Director*

## **Mason County**

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

## **Okanogan County**

Sheilah Kennedy, *Commissioner*  
Alt: Tanya Craig,  
*Deputy Clerk of the Board*

## **Pacific County**

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

## **Pend Oreille County**

Mike Lithgow, *Community*  
*Development Director*  
Alt: Teresa Brooks, *Risk Manager*  
Alt: Alan Botzheim, *Sheriff*

## **San Juan County**

Michael Thomas, *County Manager*  
Alt: Pamela Morais, *HR Manager*

## **Skagit County**

Jessica Neill Hoyson,  
*HR/Risk Manager*  
Alt: Donnie LaPlante,  
*Sr. HR/Risk Analyst*  
Alt: Arne Denny, *Civil DPA*  
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 Department*  
Alt: Rob Binger, *Senior DPA*

## **Thurston County**

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

## **Walla Walla County**

Jesse Nolte, *Deputy PA*  
Alt: James Duncan, *Commissioner*

## **Whatcom County**

Karen Goens, *HR Manager*  
Alt: Daniel Gibson, *Chief Civil DPA*

## **Yakima County**

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



## WCRP Executive Committee

**Andrew Woods**, *President*

Public Works Director, Columbia County

**Lisa Young**, *Vice President*

Human Resources Manager,  
Kittitas County

**Keith Goehner**, *Secretary/Treasurer*

Commissioner, Chelan County

**Thad Duvall**

*Auditor*, Douglas County

**Robert Koch**

*Commissioner*, Franklin County

**Lisa Ayers**

*Commissioner*, Pacific County

**Steve Bartel**

*Director*, Risk Management Department,  
Spokane County

**David Alvarez**

*Chief Civil Deputy Prosecuting Attorney*,  
Jefferson County

**Bryan Perry** (through 6/30/2015)

*Safety & Training Coordinator*,  
Benton County

**Jill Johnson** (began 7/24/2015)

*Commissioner*, Island County

**Clyde Carpenter**

*Risk Manager*, Cowlitz County

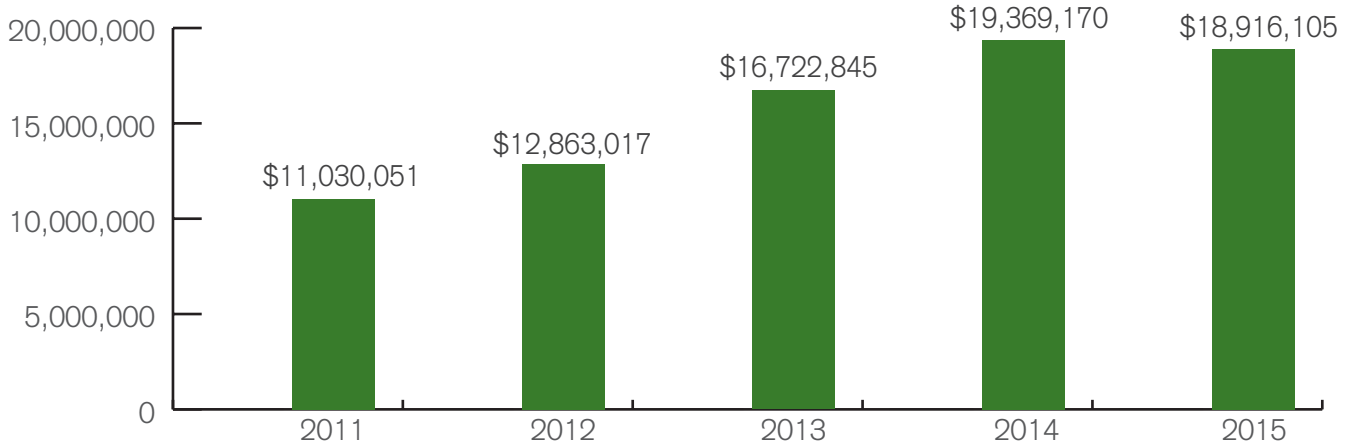
**Tammy Devlin**

*Risk Manager*, Thurston County

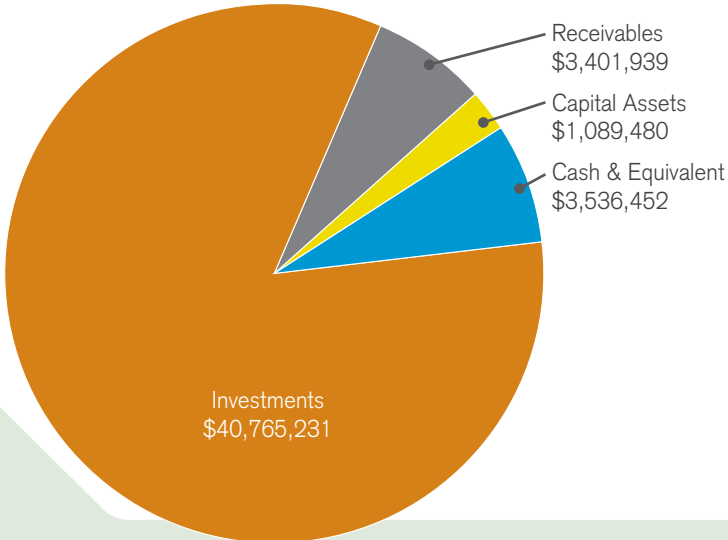


# WCRP Five Year Net Position

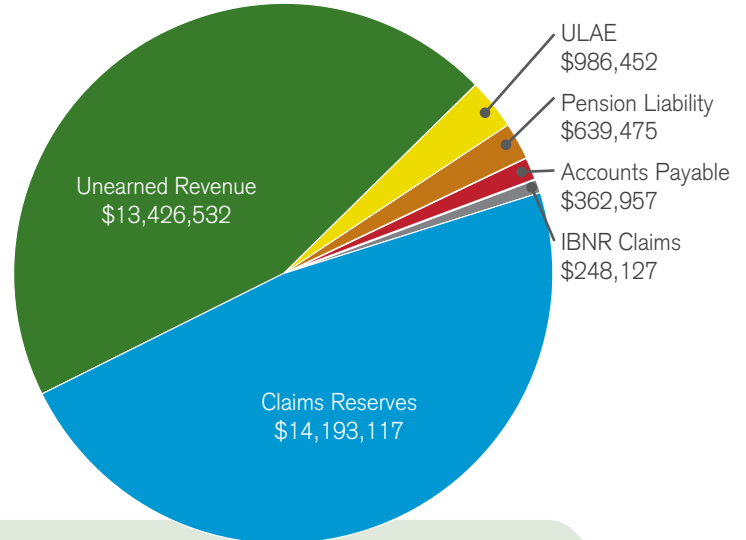
For the Fiscal Years Ended September 30, 2015 and 2014



## Total Assets = \$48,793,102



## Total Liabilities = \$29,856,660





# WCRP Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Years Ended September 30, 2015 and 2014

	Year Ended 9/30/2015	Year Ended 9/30/2014
<b>OPERATING REVENUES:</b>		
Members' Assessments -- JSILP Coverage	\$13,152,221	\$14,799,680
Member Services - Revenues	150,000	150,000
<b>Total Operating Revenues</b>	<b>\$13,302,221</b>	<b>\$14,949,680</b>
<b>OPERATING EXPENSES:</b>		
Current Year's Reserves	\$4,449,403	\$4,884,129
Adjustment in Prior Years' Reserves	119,226	(735,038)
Adjustment in Reserve for ULAE	(29,406)	573
Premiums	6,596,312	7,128,548
Operating Expenditures	2,252,141	1,954,321
<b>Total Operating Expenses</b>	<b>\$13,387,676</b>	<b>\$13,232,533</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$(85,455)</b>	<b>\$1,717,147</b>
<b>NON OPERATING REVENUES (EXPENSES)</b>		
Interest and Investment Income	\$257,362	\$219,858
Miscellaneous Income	26,858	28,542
Gain (Losses) on Capital Assets Disposition	-	19,778
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$284,220</b>	<b>\$268,178</b>
<b>CHANGES IN NET POSITION</b>	<b>\$198,765</b>	<b>\$1,985,325</b>
<b>TOTAL NET POSITION, October 1</b>	<b>\$19,369,170</b>	<b>\$16,722,845</b>
<b>Change in Accounting Principles -- GASB 68</b>	<b>\$(651,830)</b>	
<b>Prior Period Adjustment</b>		\$661,000
<b>TOTAL NET POSITION, September 30</b>	<b>\$18,916,106</b>	<b>\$19,369,171</b>

# WCRP Comparative Statement of Net Position

For the Fiscal Years Ended September 30, 2015 and 2014

<b>ASSETS</b>	<b>As of 9/30/2015</b>	<b>As of 9/30/2014</b>
<b><i>CURRENT ASSETS:</i></b>		
Cash and Cash Equivalents	\$3,536,452	\$8,733,724
Investments	40,765,231	33,265,546
Receivables:		
Members' Deductibles Receivable		1,010,395
Excess Insurance/Reinsurance Recoverable	541,618	1,686,629
Assessments Receivable	2,251,370	1,632,924
Other Accounts Receivables	26,843	11,672
Accrued Interest	7,676	-
Prepaid Expenses	2,660	2,960
<b><i>TOTAL CURRENT ASSETS</i></b>	<b><i>\$47,703,622</i></b>	<b><i>\$46,343,850</i></b>
<b><i>NONCURRENT ASSETS:</i></b>		
Capital Assets (Net of Accumulated Depreciation)	\$1,089,480	\$1,069,560
<b>TOTAL ASSETS</b>	<b><u>\$48,793,102</u></b>	<b><u>\$47,413,410</u></b>
<b><i>TOTAL DEFERRED OUTFLOWS OF RESOURCES</i></b>	<b><i>63,610</i></b>	<b><i>-</i></b>

# WCRP Comparative Statement of Net Position *(continued)*

For the Fiscal Years Ended September 30, 2015 and 2014

<b>LIABILITIES</b>	<b>As of</b> 9/30/2015	<b>As of</b> 9/30/2014
<b><i>CURRENT LIABILITIES:</i></b>		
Claims Reserves:		
Open Claims - Reserves	\$3,788,226	\$2,914,049
Accounts Payable	240,493	103,385
Unearned Revenue - Members Assessments		13,148,498
<b><i>TOTAL CURRENT LIABILITIES</i></b>	<b><i>\$17,455,251</i></b>	<b><i>\$16,165,932</i></b>
<b><i>NON CURRENT LIABILITIES</i></b>		
Claims Reserves:		
Open Claims - Reserves	\$10,164,891	\$6,112,558
IBNR Reserve -	248,127	4,507,296
"8x2 10% Quota Share" Reserve	240,000	130,000
Reserve for ULAE	986,452	1,015,858
Compensated Absences	122,464	112,595
Net Pension Liability -- GASB 68	639,475	
<b><i>TOTAL NON CURRENT LIABILITIES</i></b>	<b><i>\$12,401,409</i></b>	<b><i>\$11,878,307</i></b>
<b>TOTAL LIABILITIES</b>	<b>\$29,856,660</b>	<b>\$28,044,239</b>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$83,946</b>	<b>\$-</b>
<b><i>NET POSITION:</i></b>		
Net Investment in Capital Assets	<b>\$1,089,480</b>	<b>\$1,069,560</b>
Unrestricted Net Position	<b>17,826,626</b>	<b>18,299,611</b>
<b>TOTAL NET POSITION</b>	<b>\$18,916,106</b>	<b>\$19,369,171</b>

# WCRP Coverage

## LIABILITY

\$20 million limits with additional \$5 million option

\$100K Pool SIR

\$10,000 - \$500,000 Member Deductibles

<p><b>\$5 million Excess of \$20 million</b> (Optional) Lexington Insurance Company</p>
<p><b>\$10 million Excess of \$10 million</b> Lexington Insurance Company</p>
<p><b>\$5 million Reinsurance Excess of \$5 million</b> Lexington Insurance Company</p>
<p><b>\$3 million Reinsurance Excess of \$2 million</b> Berkley Public Entity</p>
<p><b>\$1.9 million Reinsurance Excess of \$100,000</b> Berkley Public Entity</p>
<p><b>\$0 - \$100,000</b> WCRP SIR</p>

## FIRST PARTY PROPERTY

\$500 million in limits

\$0 Pool SIR

\$5,000 - \$25,000 County Deductibles

<p><b>\$200 - \$500 Million</b></p>	<p>Quota Share – 2 insurers</p>
<p><b>\$150 - \$200 Million</b></p>	<p>Quota Share – 4 insurers</p>
<p><b>\$50 - \$150 Million</b></p>	<p>Quota Share – 9 insurers</p>
<p><b>\$25 - \$50 Million</b></p>	<p>Quota Share – 3 insurers</p>
<p><b>\$0 - \$25 Million</b></p>	<p>Quota Share – 6 insurers Excess of selected member deductible (\$5,000 - \$25,000)</p>

# CLAIMS

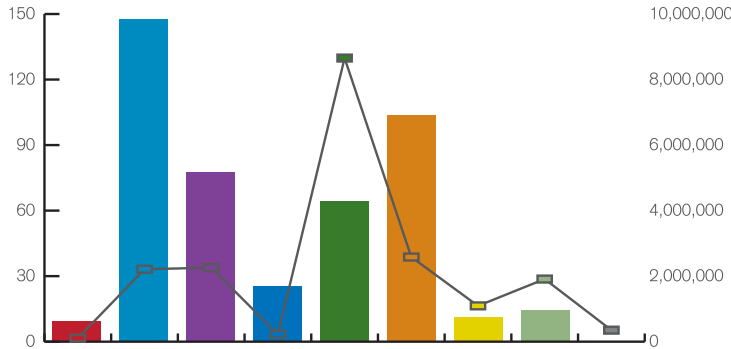
Six WCRP staff members are dedicated to the handling of all member liability claims. The goal of the WCRP is to quickly and thoroughly investigate claims brought against member counties, to resolve those claims which have merit, and to aggressively defend those claims which do not.

Working closely with the appointed Claims Administrator, along with assigned defense counsel, the WCRP claims staff brings

their own expertise and experience to each and every claim and/or lawsuit. Adjusters focus on open communication with members, with straightforward discussions relative to liability and settlement values, in order to find the most cost-effective resolution.

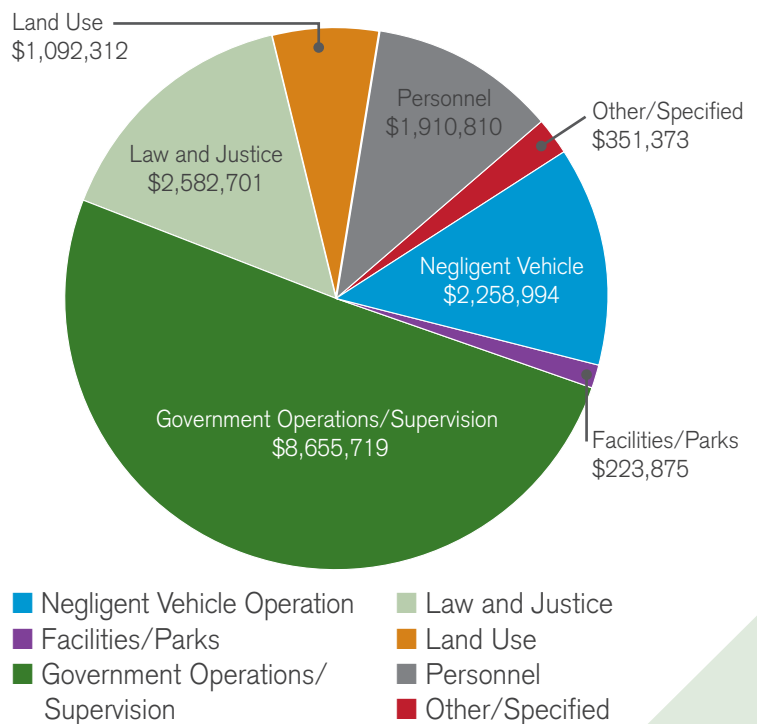
The numbers below and the graphs which follow, provide information which outlines the efforts and successes of the WCRP Claims Department.

## Frequency and Severity



Utility Design/Maintenance	9	\$106,918
Road Design/Maintenance	147	\$2,210,123
Negligent Vehicle Operation	77	\$2,258,994
Facilities/Parks	25	\$223,876
Government Operations/Supervision	64	\$8,655,719
Law and Justice	103	\$2,582,701
Land Use	11	\$1,092,312
Personnel	14	\$1,910,810
Other/Specified	5	\$351,374

## Cost by Claim Type 2014-15



## Member Services and Loss Control

WCRP provides services specifically designed to prevent losses from occurring. Twenty-six workshops were offered in 2015, focused on topics including cyber security, e-mail, employment, and contract law. Scholarship and grant funds provided member counties the opportunity to attend liability-related training.

Each member county has an appointed County Risk Manager and County Claims Administrator. Both appointees must meet certification requirements including successfully passing exams. Ninety-two percent of County Risk Managers met the certification requirements and ninety-six percent of County Claims Administrators met the certification requirements.

Training Workshops  
Provided

26

Workshop Attendees

772

WCRP On-line  
University Classes  
Completed

513

Certified Claims  
Administrators

25

Certified Risk  
Managers

24

Exams Proctored

25

Scholarships and Grants  
Awarded

32

Scholarships and Grants  
Awarded

\$10,658

## WCRP Staff

*pictured to the right*

Derek Bryan, Executive Director

Susan Looker, Claims Manager

Mike Cook, Senior Claims Analyst

Joe Campeau, Senior Claims Analyst

Holly Nelson, Claims Analyst

Lisa McMeekin, Claims Representative

Sally King, Claims Assistant

Sue Colbo, Accounting Officer

Jill Lowe, Loss Control Coordinator

Stacey Spears, Administrative Assistant

Trish Todd, Office 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





**Washington Counties Risk Pool**

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360-292-4490 | [www.wcrp.wa.gov](http://www.wcrp.wa.gov)