

WSRMP ANNUAL REPORT

2017-2018

Shaw Island School District



Marysville School District



Federal Way School District



MISSION AND VALUES



WSRMP

MISSION

Washington Schools Risk Management Pool exists in partnership with its members to provide their staff and student communities a safe and protected educational environment, while protecting member financial resources.

VALUES

Equitable Treatment

Integrity

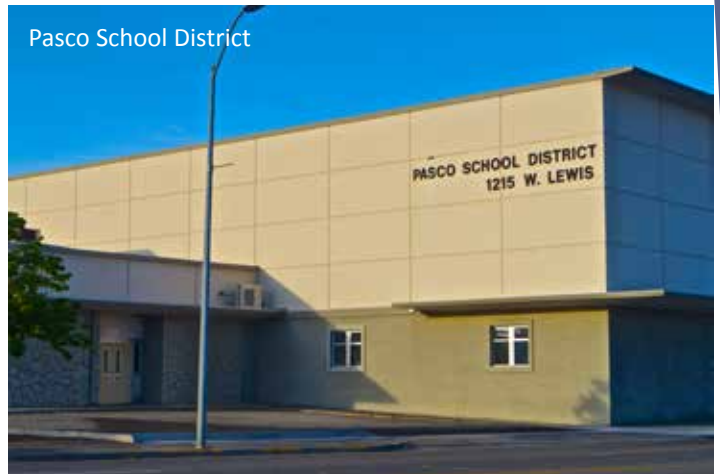
Collaboration

Innovation

State/Industry Leadership



Blaine School District



Pasco School District

TABLE *of* CONTENTS

About WSRMP.....	5
Letter to the Membership.....	6
Executive Board.....	7
Financials.....	8
Members.....	11
Staff.....	12
Service Providers.....	14



Steilacoom Historical School District



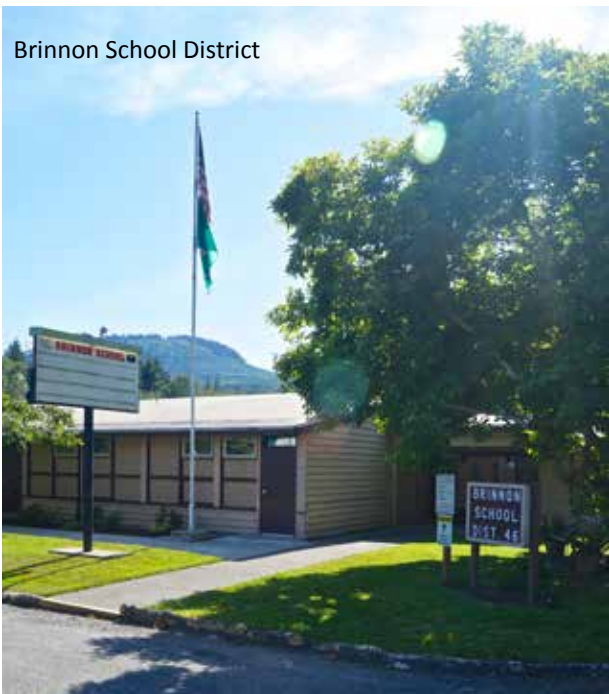
Lake Washington School District



Riverview School District



ESD 105



Brinnon School District



Enumclaw School District

Sumner School District



Sultan School District

About WSRMP

Washington Schools Risk Management Pool – WSRMP – is a non-profit, public-sector risk pool based on the fundamental notion that school is a place where every child has a right to be successful and safe. Our members are our owners. As a risk pool for the very smallest to the very largest school districts in the state, we customize our offerings to meet each districts' individual needs and provide a full menu of services from risk assessment and analysis, to legal assistance, claim settlement, onsite training, e-learning, grants, scholarships and much, much more. We partner with our members to continually improve our service as we strive to create a culture of preventing loss before it happens. We lead by working with legislators, serving on state and local committees and advocating for schools on student safety. Our goal is to take the burden of risk off the table so our members can focus on what they do best: help students thrive and succeed to their fullest potential.

LETTER TO THE MEMBERSHIP

Dear Members,

It's no secret that the past few years have been tough ones throughout the insurance industry, and public pools haven't been immune. In fact, if anything, the risks for partnerships like ours are even higher, as the issue of sexual abuse has elevated front and center in the public consciousness. Risk Pools like ours are experiencing unprecedented numbers and values of sexual abuse claims and some pools are failing financially from the onslaught.

WSRMP experienced a significant increase in sexual abuse claims against our members, and the increased reserve and settlement values of these claims caused a serious drain in the portion of equity we retain for unexpected losses.

We are happy to report that in 2018, this trend has reversed. WSRMP now sits at a financial Confidence Level of 90%. Our financial health is strong and exceeds all state financial tests and benchmarks.

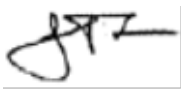
We didn't get here by accident. It took proactive, deliberate actions by the Executive Board, and pool staff, working in tandem with our members, to bring about our results, including:

- Approving an unprecedented \$10 million mid-year rate adjustment.
- Creating and delivering a customized Member Benefit Review containing a specifically designed Action Plan for our members who are experiencing sexual abuse losses.
- Developing the Sexual Abuse Prevention Advisory Committee (SAPAC), whose goal is to review the causes and consequences of sexual abuse and create prevention initiatives.
- Exploring new ways that our Claims Team handles these kinds of sensitive claims.
- Enhancing our trainings, speakers and resources for members.

WSRMP leads the nation in the number and diversity of initiatives and resources we have in place to prevent sexual abuse losses. We have been called upon to share our story, our progress, and our work in creating a culture of prevention with other pools across the country.

Our theme for the coming year is *Shaping our Future Together*. We introduced this at our Annual Member Meeting, and feel it encompasses our commitment to shared partnership and accountability, as well as our common belief that school is a place where every child has a right to be successful and safe. We look forward to sharing highlights in the pages ahead.

As always, thank you for your membership.



Jason Thompson
Board Chair



Deborah Callahan
Executive Director

EXECUTIVE BOARD



Jason Thompson
Board Chair
Position #7
Large District: Marysville



Krestin Bahr
Vice Chair
Position #1
Small District: Eatonville



Thomas Jay (Interim)
Position #2
Small District: Skykomish



Diana Reaume
Position #3
Large District: Quillayute Valley



Dr. Gary Plano
Position #4
Medium District: Mercer Island



Dr. Ron Spanjer
Position #5
Medium District: Blaine



Dr. Michelle Reid
Position #8
Large District: Northshore



Dr. Mark Anderson
Position #9
Large District: Spokane



Loy Dale
Position #10
Interlocals: SWRMIC



Dr. Frank Ashby
Ex-Officio
Puget Sound ESD 121



Tom Fleming
Ex-Officio
ESD 105



Gavin Hottman
Ex-Officio
ESD 112



Michelle Dearlove
Ex-Officio
ESD 123



Lisa Matthews
Ex-Officio
Northwest ESD 189



Jerry McDermott
Ex-Officio
NEWESD 101



Monica Hunsaker
Ex-Officio
Olympic ESD 114

FINANCIALS

Condensed Statement of Net Position as of August 31 (Unaudited, for Management Purposes Only)

	2018	2017
Current Assets	\$30,273,155	\$14,895,049
Noncurrent Assets (net)	\$45,196,370	\$55,559,706
Total Assets	\$75,469,525	\$70,454,755
Current Liabilities	\$25,771,068	\$25,435,306
Noncurrent Liabilities	\$28,828,425	\$28,929,038
Total Liabilities	\$54,599,493	\$54,364,344
Invested Capital Assets	\$592,586	\$567,266
Restricted Other Items	\$1,486	\$3,460
Unrestricted	\$20,275,960	\$15,519,685
Total Net Position	\$20,870,032	\$16,090,411

Condensed Statement of Revenues, Expenses and Changes in Net Position for the years ended August 31. (Unaudited, for Management Purposes Only)

	2018	2017
Operating Revenues		
Member Contributions	\$48,663,588	\$33,308,731
Miscellaneous Revenue	\$120,425	\$49,842
Non-operating Revenues		
Investment Income	\$525,552	\$495,661
Gain on Sale of Capital Assets	\$7,000	\$4,189
Total Revenues	\$49,316,565	\$33,858,423
Operating Expenses	\$44,536,944	\$51,280,541
Total Expenses	\$44,536,944	\$51,280,541
Change in Net Position	\$4,779,621	-\$17,422,118
Beginning Net Position	\$16,090,411	\$33,512,529
Ending Net Position	\$20,870,032	\$16,090,411

Confidence Levels - Funded

Confidence level is used by actuaries to determine the realistic possibilities that given capital will be sufficient to cover all claims that might be incurred for the covered period. For instance, an 80% confidence level indicates that the capital identified with this should be adequate eight out of 10 years of probability. Our net position is \$20.9M so we equal or exceed the 90% funded confidence level.

CONFIDENCE LEVEL BENCHMARKS 2017/2018

NET POSITION TO MEET CONFIDENCE LEVELS

50%	\$0.0 million
70%	\$5.9 million
75%	\$8.5 million
80%	\$11.6 million
85%	\$15.5 million
90%	\$20.8 million
95%	\$30.0 million

Net Position

As of August 31, 2018, the actuary has determined claims liabilities of \$48.8M and a confidence level of 90% which is at the Board's 90% minimum capital target.

YEAR	NET POSITION	CONFIDENCE LEVEL
2017/2018	\$20.9 million	90%
2016/2017	\$16.0 million	85%
2015/2016	\$35.0 million	98%
2014/2015	\$50.4 million	98%
2013/2014	\$48.1 million	98%
2012/2013	\$42.7 million	98%

Our net position eroded from 2014/2015 through 2016/2017 due to many large claims, credits to members and a low member contribution rate at the 50% confidence level. The equity improved in 2017/2018 due to the strengthening of the rate and the continuing partnership with members in putting in systems to reduce and prevent claims.

Port Angeles School District



Eastmont School District



White River School District



Thorp School District



Monroe School District



Aberdeen School District
Anacortes School District
Arlington Public Schools
Auburn School District
Bainbridge Island School District
Blaine School District
Brinnon School District
Burlington-Edison School District
Cape Flattery School District
Carbonado Historical School District
Chimacum School District
Cle Elum-Roslyn School District
Clover Park School District
Concrete School District
Conway School District
Coupeville School District
Crescent School District
Darrington School District
Dieringer School District
Eastmont School District
Eatonville School District
Edmonds School District
Enumclaw School District
ESD 105 WCC
ESD 105 – Yakima
ESD 123 – Pasco
ESD 123 WCT
Everett Public Schools
Federal Way Public Schools
Fife School District
Franklin Pierce Schools
Granite Falls School District
Index School District
Issaquah School District
La Conner School District
Lake Stevens School District
Lake Washington School District
Lopez Island School District
Lynden School District
Marysville School District
Mercer Island School District
Meridian School District
Monroe School District
Mount Baker School District
Mount Vernon School District
Mukilteo School District
Nooksack Valley School District
NorthEast Washington ESD 101
NorthEast WA Workers Compensation Cooperative
North Kitsap School District
North Mason School District
Northshore School District
Northwest ESD 189
Northwest WCT
Oak Harbor School District
Olympic ESD 114
Olympic ESD 114 WCT
Orcas Island School District
Orting School District
Pasco School District
Peninsula School District
Port Angeles School District
Port Townsend School District
Puget Sound ESD 121
Puget Sound WCT
Puyallup School District
Queets-Clearwater School District
Quilcene School District
Quillayute Valley School District
Riverview School District
San Juan Island School District
Seattle Public Schools
Sedro-Woolley School District
Sequim School District
Shaw Island School District
Shoreline School District
Skykomish School District
South Kitsap School District
South Whidbey School District
Spokane Public Schools
Stanwood-Camano School District
Steilacoom Historical School District
Sultan School District
Sumner-Bonney Lake School District
SW WA Risk Management Insurance Cooperative
Tacoma Public Schools
Tahoma School District
Thorp School District
Tukwila School District
University Place School District
Vashon Island School District
Walla Walla Public Schools
White River School District

STAFF

EXECUTIVE



Deborah Callahan
Executive Director



Charles Upchurch
Deputy Executive Director



Dawn Mayes
Executive Assistant

MEMBER SERVICES



Bob Fulmer
Director of Member Services



Ray Roberts
Sr. Member Services Consultant



Colette Guion
Member Services Coordinator

IT/TECHNOLOGY/ADMIN



Kenneth Curtis
IT Manager



Val Smith
Program Specialist

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Laura Bisbee
Underwriting Consultant

FINANCE



Suzanne Bissett
Finance Manager



Joan Tapia-Beeman
Accounting Consultant

CLAIMS SERVICES



Dana Grandey
Director of Claims & Litigation



Sharon Sampson
Sr. Claims Consultant



Lisa Day
Claims Consultant



Cai Hadfield
Claims Consultant



Patty Nylin
Claims Consultant

CLAIMS SERVICES



Seema Pandey
Claims Consultant



Nancy Nichols
Claims Consultant



Sue Peterson
Claims Consultant



Ingrid Brown
Sr. Claims Coordinator



Naomi Zier
Claims Coordinator

RISK SERVICES



Gerald Martens
Director of Risk Management



Amber Garriott
Sr. Risk Services Consultant



Colin MacRae
Risk Services Consultant



Yzabel McKee
Risk Services Consultant

RISK SERVICES



Everett Tyrrell
Risk Services Consultant



Sharon Carmichael
Risk Services Consultant



Alix Patt
Risk Services Coordinator

SERVICE PROVIDERS

CFO	James Marta & Co
Coverage Counsel	Cozen O’Conner
WSRMP Counsel	Tyna Ek Law Soha & Lang
Defense Panel	Freimund Jackson Tardif & Benedict Garratt PLLC Pacifica Law Group Patterson Buchanan Fobes & Leitch Porter Foster Rorick LLP Preg O’Donnell & Gillett PLLC Stevens Clay Vandeburg Johnson & Gandara Willams Kastner The Wolfe Firm
Broker	A.J. Gallagher - Denver
Actuary	Bickmore Risk Services
Investment Advisor	Government Portfolio Advisors
Professional Organizations	Association of Governmental Risk Pools (AGRiP) Chartered Property Casualty Underwriters (CPCU) Public Risk Management Association (PRIMA) Puget Sound Claim Managers Council Seattle Claims Adjusters Association Society of Claims Law Associates (SCLA) Washington State School Safety Center Advisory Committee Washington Association of School Business Officials (WASBO) Washington Association of School Administrators (WASA) Washington Association of Maintenance & Operations Administrators (WAMOA) Washington School Personnel Association (WSPA)

Seattle Public Schools



Sedro-Woolley School District



Northshore School District



NEW ESD 101

Clover Park School District



South Kitsap School District



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