

WSRMP ANNUAL REPORT

2017-2018



MISSION AND VALUES



Conway School District



Spokane Public Schools

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

TABLE OF CONTENTS



Blaine School District



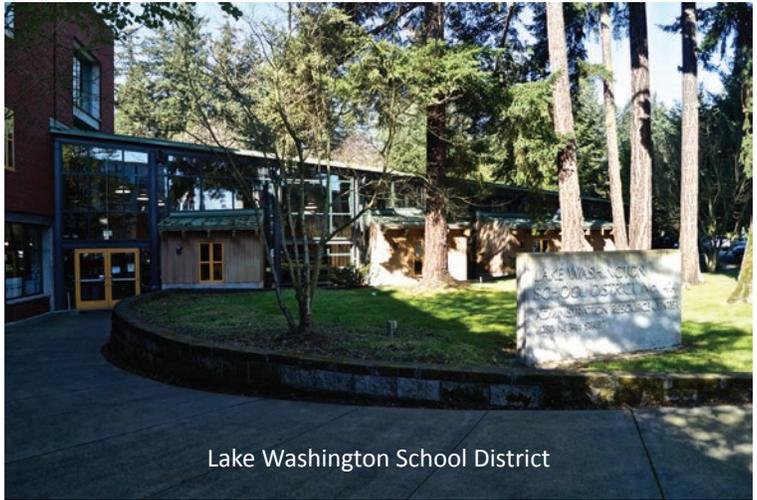
Pasco School District

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



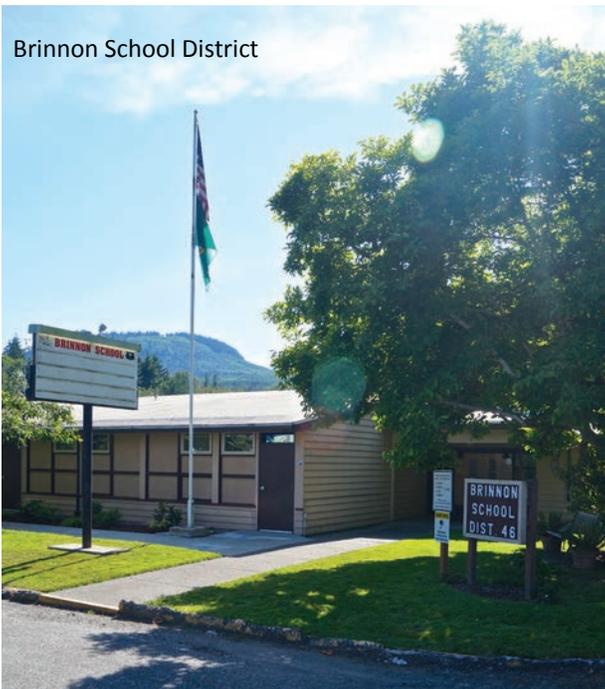
Lake Washington School District



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.

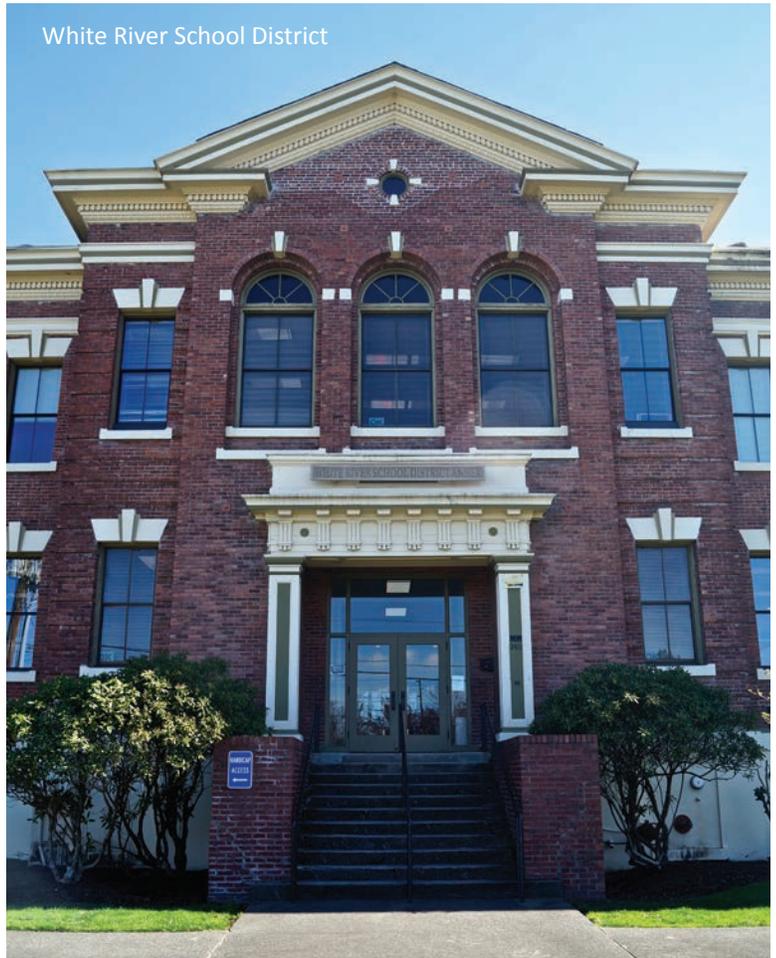
Port Angeles School District



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



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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
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Suzanne Bissett
Finance Manager



Joan Tapia-Beeman
Accounting Consultant

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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

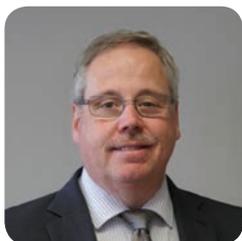


Ingrid Brown
Sr. Claims Coordinator



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

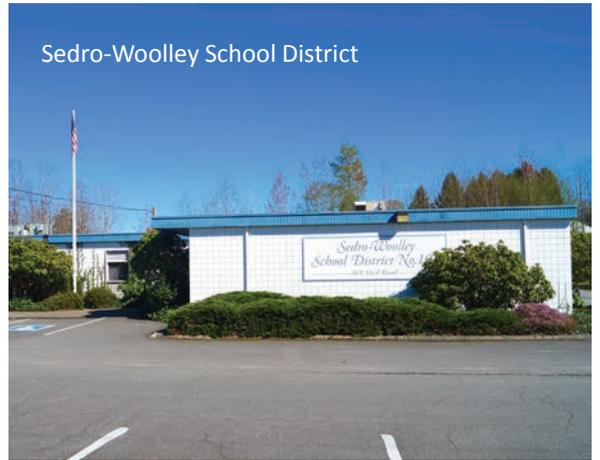
SERVICE PROVIDERS

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



NEW ESD 101



Clover Park School District



South Kitsap School District



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