

# 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



**TABLE** *of*  
**CONTENTS**

**About WSRMP.....5**

**Letter to the Membership.....6**

**Executive Board.....7**

**Financials.....8**

**Members.....11**

**Staff.....12**

**Service Providers.....14**



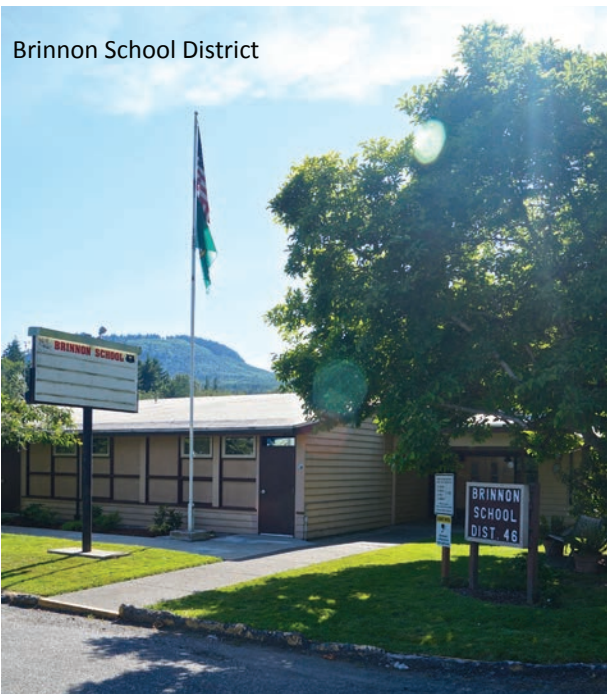
Steilacoom Historical School District



Riverview School District



Brinnon School District



Lake Washington School District



ESD 105



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.

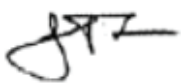
We didn't get here by accident. It took proactive, deliberate actions by the Executive Board, and pool staff, working in tandem with our members, to bring about our results, including:

- 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        |
| <b>Total Assets</b>       | <b>\$75,469,525</b> | <b>\$70,454,755</b> |
| Current Liabilities       | \$25,771,068        | \$25,435,306        |
| Noncurrent Liabilities    | \$28,828,425        | \$28,929,038        |
| <b>Total Liabilities</b>  | <b>\$54,599,493</b> | <b>\$54,364,344</b> |
| Invested Capital Assets   | \$592,586           | \$567,266           |
| Restricted Other Items    | \$1,486             | \$3,460             |
| Unrestricted              | \$20,275,960        | \$15,519,685        |
| <b>Total Net Position</b> | <b>\$20,870,032</b> | <b>\$16,090,411</b> |

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

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



## 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.

### NET POSITION

### CONFIDENCE LEVEL

#### YEAR

|           |                |     |
|-----------|----------------|-----|
| 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



Thorp School District



White River 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*

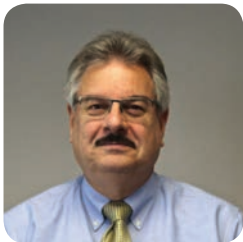


**Charles Upchurch**  
*Deputy Executive Director*



**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*

## UNDERWRITING



**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*

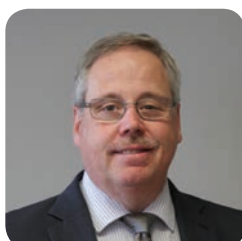


**Ingrid Brown**  
*Sr. Claims Coordinator*



**Naomi Zier**  
*Claims Coordinator*

## RISK SERVICES



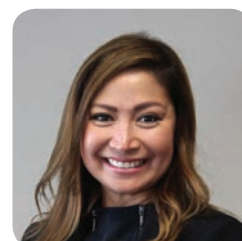
**Gerald Martens**  
*Director of Risk Management*



**Amber Garriott**  
*Sr. Risk Services Consultant*

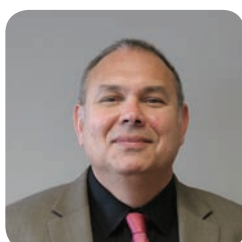


**Colin MacRae**  
*Risk Services Consultant*



**Yzabel McKee**  
*Risk Services Consultant*

## RISK SERVICES



**Everett Tyrrell**  
*Risk Services Consultant*



**Sharon Carmichael**  
*Risk Services Consultant*



**Alix Patt**  
*Risk Services Coordinator*

# SERVICE PROVIDERS

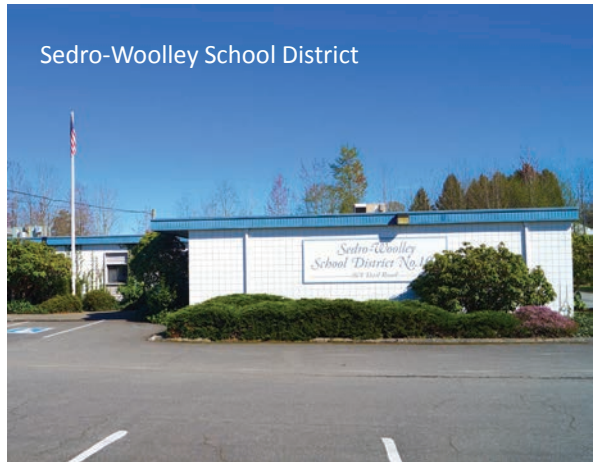
|                            |  |
|----------------------------|--|
| CFO                        | James Marta & Co   |
| Coverage Counsel           | Cozen O’Conner   |
| WSRMP Counsel              | Tyna Ek Law<br>Soha & Lang   |
| Defense Panel              | Freimund Jackson Tardif & Benedict Garratt PLLC<br>Pacifica Law Group<br>Patterson Buchanan Fobes & Leitch<br>Porter Foster Rorick LLP<br>Preg O’Donnell & Gillett PLLC<br>Stevens Clay<br>Vandeburg Johnson & Gandara<br>Williams Kastner<br>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)<br>Chartered Property Casualty Underwriters (CPCU)<br>Public Risk Management Association (PRIMA)<br>Puget Sound Claim Managers Council<br>Seattle Claims Adjusters Association<br>Society of Claims Law Associates (SCLA)<br>Washington State School Safety Center Advisory Committee<br>Washington Association of School Business Officials (WASBO)<br>Washington Association of School Administrators (WASA)<br>Washington Association of Maintenance & Operations Administrators (WAMOA)<br>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



Post Office Box 88700; Tukwila, WA 98138-2700  
PHONE (206) 394-9737 FAX (206) 394-9712 [www.wsrmp.com](http://www.wsrmp.com)