



into **FOCUS**

2023 ANNUAL REPORT



a **MESSAGE** to the membership



Ann Bennett

The protection of public entities is the cornerstone of our mission. This past year, WCIA focused on improving our financial strength, identifying and addressing emerging risks, and managing claims with increasing complexity.

This year brought into sharp focus all areas of WCIA's operations. The need to implement oversight and new strategies to achieve better investment returns led to the hiring of an outside investment consulting firm. Staff worked to assist members in creating a culture of risk management within the membership by addressing emerging risks through Risk Bulletins, Risk Audits, and offering over 275 legal consultations through our Pre-Defense and Risk Consultation programs. Over 14,000 participants received risk management training through webinars and on-demand options with 27 obtaining a WCIA Risk Management Credential. With expanding liability, increased costs due to inflation, and ever rising jury awards, over \$56 million was paid to resolve and defend member claims while \$1.3 million was collected from parties who damaged member property. These accomplishments are a testament to our team's commitment to serving the public interest and protecting taxpayer dollars.

Looking ahead, we will work to prioritize leveraging data analytics, utilizing new technologies, and building even stronger partnerships with our members to reduce risk. By maintaining a clear focus on the evolving needs of our public entities, we are confident in our ability to provide comprehensive protection and peace of mind.

We are grateful for the trust and partnership of our members, and we remain dedicated to serving as a reliable and steadfast protector of public assets.

Ann Bennett
Executive Director



who **WE ARE**

WCIA will take a leadership role to provide professional risk management and stable risk financing programs that respond to members' needs.


Since 1981, Washington Cities Insurance Authority has empowered, protected, defended, and restored municipal entities across Washington State. By being a member-driven organization with a strong financial foundation, as well as offering innovative education programs, WCIA helps reduce the risks its members face, while increasing their security and savings.

WCIA offers generous coverage and stable rates, with a member-run board and committees, to ensure that each member has a voice in decisions. WCIA helps to minimize risks for its members, so they can focus on maintaining outstanding communities.



our MEMBERS

Aberdeen • Anacortes • Arlington • Auburn • Bainbridge Island • Battle Ground • Benton City • Bonney Lake • Bothell • Bremerton • Brewster • Brier • Burien • Burlington
Camas • Cashmere • Centralia • Chehalis • Chelan • Cheney • Clark Regional Emergency Services Agency • Clarkston • Cle Elum • Clyde Hill • College Place • Coupeville
Covington • Cowlitz 911 • Cowlitz-Wahkiakum Council of Governments • Des Moines • Des Moines Pool Metro Park District • Duvall • Eastside Public Safety Communications
Agency • eCity Gov Alliance • Edgewood • Edmonds • Ellensburg • Elma • Enumclaw • Everson • Federal Way • Ferndale • Fife • George • Goldendale • Grandview • Granite
Falls • Grays Harbor Communications Center 911 • Hoquiam • Issaquah • Jefferson County 911 • Kelso • Kenmore • Kennewick • Kirkland • Kitsap 911 • La Conner • Lacey
Lake Forest Park • Lake Stevens • Lake Stevens Sewer District • Lakewood • Leavenworth • Liberty Lake • Long Beach • Longview • LOTT Clean Water Alliance • Lynden
Lynnwood • Mabton • Maple Valley • Marysville Fire District • Mason County Emergency Communications • Mattawa • McCleary • Medical Lake • Medina • Mercer Island
Metropolitan Park District of Tacoma • Mill Creek • Millwood • Milton • Monroe • Monroe Transportation Benefit District • Moses Lake • Mount Vernon • Mountlake Terrace
Mukilteo • Multi Agency Communications Center • Newcastle • NORCOM • Normandy Park • Normandy Park Metropolitan Park District • North Bonneville • Northshore Park
and Recreation Service Area • Northshore Utility District • Oak Harbor • Ocean Shores • Olympia • Olympia Metropolitan Park District • Olympic View Water and
Sewer District • Orting • Othello • Pasco • Port Angeles • Port Townsend • Poulsbo • Pullman • Pullman Metropolitan Park District • Pullman-Moscow Regional Airport Board
Puyallup • Regional Crisis Response Agency • Richland • Ridgefield • Royal City • Sammamish • Seattle Southside Regional Tourism Authority • Selah • Sequim • Shelton
Shelton Metropolitan Park District • Shoreline • Silver Lake Water & Sewer District • Skagit 911 • Skagit Council of Governments • Snohomish • Snohomish County 911
Snohomish Regional Fire and Rescue • Snoqualmie • Soap Lake • South Correctional Entity • South Sound 911 • Spokane Regional Emergency Communications
Spokane Valley • Stanwood • Steilacoom • Stevenson • Sumas • Sumner • Sunnyside • Three Rivers Regional Wastewater Authority • Thurston 911 Communications • Thurston
Public Utility District • Thurston Regional Planning Council • Toppenish • Tukwila • Tukwila Pool Metropolitan Park District • Tumwater • Tumwater Metropolitan Park District
Union Gap • University Place • Valley Communications Center • Valley Regional Fire Authority • Walla Walla • Walla Walla Metropolitan Planning Organization • Warden
Washington Multi-City Business License & Tax Portal Agency • Washougal • Water Operating Board • Wenatchee • West Richland • Westport • WHITCOM 911 • William Shore
Memorial Pool District • Woodinville • Woodway • Yakima Valley Conference of Governments • Yarrow Point • Zillah



2023

by the numbers



CLAIMS

litigation

\$56,687,773

Claim and lawsuit payments

\$1,347,143

Recovered by WCIA from parties responsible for losses caused to member owned property

1,835

Number of new claims and lawsuits



TRAINING

153

Trainings offered

\$494,472

Paid to members for educational and accreditation reimbursements

14,208

Participants in trainings

613

Eligible requests for educational and accreditation reimbursements

27

Member employees who received a WCIA Risk Management Credential



insurance

PROGRAMS

169

Number of members



risk MANAGEMENT

\$175,000

Risk Reduction Grants paid to members

278

Pre-defense Reviews and Risk Management Legal Consultations provided

87

Traditional Risk Management Audits of member exposures in Special Events, Fleet, and Police Liability

60

Targeted Risk Management Reviews of member programs, policies and procedures





WCIA sub-committees

A delegate from each member is represented on the WCIA Board of Directors. The Board of Directors elects the President, Vice President and members of the Executive Committee. The Executive Committee sets the general operational direction for the organization.

Annually, WCIA asks for volunteers from the Board of Directors to participate on seven sub-committees. Each committee includes a liaison from the Executive Committee. The sub-committees are designed to improve operation in various areas of pool business. By encouraging member involvement with operating decisions and financial strategies, WCIA is evolving through its members. The sub-committees are as follows:

Audit Committee: Performs an in-house financial audit oversight function by annually reviewing elements of the Comprehensive Risk Financing Plan, State Accountability Audit, Assessment formula purpose and effect, investment strategy and effect, and annual financial report accuracy.

Budget Committee: Reviews revenue and expenditure budget elements, actuarial confidence level, loss projections and funding, assessment

formula elements and member assessment recommendations; recommends administrative and operations budgets to Executive Committee.

Investment Committee: Develops policy and annually reviews investment goals, strategies, portfolio development and apportionment by vendor; reviews third party investment firm's performance and transactions; recommends vendor contract renewal and policy changes to Executive Committee.

Legislative Committee: Reviews, identifies, and monitors legislative matters that could impact liability exposures for the membership; and makes recommendations for advocacy and strategy to address legislators.

Long-Range Planning Committee: Employs visioning and strategic planning in areas of membership types and growth, COMPACT

multi-year direction, creation of membership procedures such as the Member Action Plan (MAP) and other strategic plans; makes recommendations to Executive Committee.

Risk Management Committee: Reviews and explores risk management issues pertinent to the membership; creates and monitors user-friendly generic risk guidelines for specific and evolving municipal activities; and makes recommendations for training programs related to risk management.

Risk Reduction Grant Committee: Reviews and awards risk management grants to members in amounts not to exceed the total amount budgeted for this purpose in the annual approved operating budget of WCIA and consistent with the written guidelines for risk management grant applications and awards approved by the Executive Committee.

statement of NET POSITION

As of December 31, 2023 and 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

	2023*	2022
Cash And Cash Equivalents	\$40,243,802	\$2,996,584
Accrued Interest	753,729	606,081
Investments	141,803,859	135,907,300
Accounts Receivable	26,722	22,834
Leases Receivable	139,664	150,921
Prepaid Expenses	87,167	17,674,903
TOTAL CURRENT ASSETS	\$183,054,943	\$157,358,623

Noncurrent Assets

Investment In Gem	\$2,964,655	\$2,810,619
Leases Receivable	647,672	477,116
Net Pension Asset	816,786	785,483
Subscription Asset - Software	474,071	732,647
Capital Assets	7,144,580	7,144,580
Accumulated Depreciation	(3,161,584)	(3,007,793)
TOTAL NONCURRENT ASSETS	\$8,886,180	\$8,942,652

TOTAL ASSETS

Deferred Outflows Of Resources - Pension	\$689,587	\$772,226
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$192,630,710 **\$167,073,501**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Current Liabilities

Accounts Payable & Accrued Expenses	\$101,742	\$89,982
Payroll Liabilities	54,672	41,187
Compensated Absences	195,662	186,293
Deposits Payable	173,890	173,890
Subscription Liability - Software	258,075	517,670

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	2023*	2022
Property & Vehicle Claims Reserve	2,468,043	8,118,961
Claim Reserves		
IBNR	13,289,172	7,427,583
Open Claims (Case Reserves)	28,602,575	33,140,661
Unallocated Loss Adjustment Expenses	924,000	945,000
TOTAL CURRENT LIABILITIES	\$46,067,831	\$50,641,227

Noncurrent Liabilities

Compensated Absences	\$106,027	\$69,961
Net Pension Liability	352,248	453,434
Subscription Liability - Software	-	258,075
Claim Reserves		
IBNR	34,172,157	20,081,983
Open Claims (Case Reserves)	73,549,478	89,602,527
Unallocated Loss Adjustment Expenses	2,376,000	2,555,000
TOTAL NONCURRENT LIABILITIES	\$110,555,910	\$113,020,980

TOTAL LIABILITIES

\$156,623,741 **\$163,662,207**

Deferred Inflows Of Resources - Pension	\$438,647	\$805,056
Deferred Inflows Of Resources - Leases	703,972	592,840

TOTAL DEFERRED INFLOWS OF RESOURCES

\$1,142,619 **\$1,397,896**

NET POSITION

Investment In Capital Assets	\$3,982,996	\$4,136,787
Unrestricted	30,881,354	(2,123,389)
TOTAL NET POSITION	\$34,864,350	\$2,013,398

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$192,630,710 **\$167,073,501**

*Unaudited - Subject To Change

statement of REVENUES, EXPENSES & CHANGES IN FUND NET POSITION

As of December 31, 2023 and 2022

OPERATING REVENUES	2023*	2022		2023*	2022
Member Assessments - Liability	\$66,603,196	\$45,920,050	Communications	21,978	27,384
Member Assessments - Property	29,502,191	21,680,917	Supplies	33,501	42,021
Member Assessments - Fidelity	128,075	128,521	Dues and Conferences	46,818	40,196
Building Revenue (Loss)	151,251	129,304	Retreat/Board Meetings	19,791	20,918
Seminar Revenues	9,990	6,085	Depreciation	153,791	177,871
Total Operating Revenues	\$96,394,703	\$67,864,877	Miscellaneous	9,273	13,342
Operating Expenses			Risk Reduction Grant	171,596	167,573
Loss & Loss Adjustment Expenses	\$38,313,631	\$60,842,935	Building Expenses	245,481	260,536
Insurance - Members	27,780,537	26,501,779	Software License Fees	304,408	131,339
Salaries and Wages	3,051,290	2,687,197	Seminars and Training	917,552	854,147
Personnel Benefits	586,396	588,135	Total Operating Expenses	\$73,157,978	\$93,657,987
Professional Services			Operating Income (Loss)	\$23,236,725	(\$25,793,110)
Claims Adjusting	306,456	327,861	Non-Operating Revenue (Expense)		
Pre-Defense Review	699,994	593,197	Interest Income	10,789,268	6,040,907
Consultants	232,051	97,647	Net Increase (Decrease) in the Fair Value of Investments	(1,300,321)	(20,379,894)
Legal	37,860	51,347	Income (Loss) from Investment in GEM	154,036	-
Actuarial	54,600	117,000	Interest (Expense)	(28,756)	-
Audit	29,271	16,440	Total Non-Operating Revenue	\$9,614,227	(\$14,338,987)
Financial Services	38,931	33,050	Change in Net Position	\$32,850,952	(\$40,132,097)
Risk Management Audit	7,325	2,930	Net Position - January 1	\$2,013,398	\$42,145,495
Transportation	94,434	59,039	NET POSITION AS OF DECEMBER 31	\$34,864,350	\$2,013,398
Printing	1,013	4,103			

*Unaudited - Subject To Change

executive **COMMITTEE** members



Brian Loos
City of Long Beach

President

Paul Ellis
City of Arlington

Vice President

Shelley Acero
City of Burlington

David Cline
City of Tukwila

Farah Derosier
LOTT Clean Water Alliance

Wade Farris
City of Chelan

Kevin Fuhr
City of Moses Lake

Paul Loveless
Town of Steilacoom

Debbie Sullivan
City of Olympia

Executive Committee, from L-R Top Row: Paul Ellis, Wade Farris, Kevin Fuhr; from L-R Bottom Row: David Cline, Debbie Sullivan, Farah Derosier, Paul Loveless, Brian Loos. Not pictured: Shelley Acero.

STAFF

Administration

Ann Bennett
Executive Director

Rob Roscoe
Deputy Director

Jared Burbidge
Finance & Administrative Services Manager

Tiffany Woods
Programs & Information Technology Coordinator

Peter Kang
IT Administrator

Michele Neumann
Administrative Services Assistant

Kellyn Popp
Accountant II

Jennifer Lawson
Office Assistant/Receptionist

Member Services

Patti Crane
Member Services Manager

Maria Orozco
Member Services Coordinator

Katie Madsen
Member Services Assistant

Risk Management

Robin Aronson
Risk Services Manager

Kim Dennis
Senior Risk Management Rep

Debbi Sellers
Senior Risk Management Rep

Tanya Crites
Senior Risk Management Rep

Carlene Brown
Senior Risk Management Rep

Drew Brien
Senior Risk Management Rep

Claims

Harlan Stientjes
Claims Manager

Tiffany Ambrose
Senior Claims Adjuster

Jessica Dedman
Senior Claims Adjuster

Sierra Wright
Claims Adjuster

Rachel Roberts
Claims Representative

Jennifer Valencia
Claims Representative

Kayla Countryman
Claims Representative

CONTRACTED SERVICE VENDORS

Baber & Mason, CPAs
Accountant


PricewaterhouseCoopers (PwC)
Actuary

Sedgwick Claims Management Services, Inc.
Claims Services

Keating, Bucklin & McCormack Inc., P.S.
General Counsel

Marsh USA, Inc.
Insurance Broker

Lisa Thatcher, Inc.
Lobbyist



Washington Cities Insurance Authority (WCIA) is a municipal organization of Washington public entities that join together for the purpose of providing liability and property financial protection to its members.

MISSION

WCIA will take a leadership role to provide professional risk management and stable risk financing programs that respond to members' needs.

CORE VALUES

Responsiveness, Integrity, Stewardship, Courage

