


# STEADFAST

2021 ANNUAL REPORT



The 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

## A MESSAGE TO THE MEMBERSHIP

Twenty-twenty one has been one of the most challenging years facing the Authority. Coming out of the pandemic, social inflation, the generous tort climate in Washington State and actual inflation took a toll on claim exposures. These factors created challenges with our partners in the traditional insurance marketplace, along with the continuing evolution of how the Authority and our membership conduct business. Throughout, WCIA remained steadfast in our mission to reduce risk and empower communities.



Ann Bennett

At the start of 2021, members began looking for assistance regarding police reform legislation, mask mandates, and how to manage hybrid workplaces. WCIA responded with 31 employment education opportunities with Human Resources Forums, supervisor trainings, and on-demand courses. The new police reform legislation led to creating new Forums for Police Chiefs, City Attorneys and Executive Management. Collaborations with the Criminal Justice Training Commission, Crisis Intervention Team, and Washington Association of Sheriffs and Police Chiefs (WASPC) offered member law enforcement multiple training opportunities. WCIA continued to support members in reducing risk with over 200 training opportunities for the membership, risk management consultations, risk management audits and reviews, and individual legal reviews.



Deborah Knight

The re-opening of both Federal and State Courts saw a rush of litigation, trials conducted virtually along with a push to resolve cases that had been dormant. As a result, the Authority saw a 24% increase in new lawsuits filed and indemnity payments increased over 289% from the previous year. The biggest increase in lawsuits filed were against law enforcement. Even with these stark statistics, WCIA staff was able to successfully represent membership at trials, arbitrations and secure summary judgments.

The traditional insurance market continued to be a challenge for public entities with carriers cutting back capacity and demanding even higher premiums, if offering coverage at all. WCIA's large liability insurance retention, and commitment to risk management, allowed for renewals in liability, property, cyber and pollution liability with some reductions in available limits for liability and cyber.

While 2021 became one of the most challenging years for the Authority, WCIA remained steadfast in reducing and mitigating municipal exposures through a variety of programs and services.

Ann Bennett  
*Executive Director*

Deborah Knight  
*Executive Committee President; City Manager, City of Monroe*

## 2021 BY THE NUMBERS

### RISK MANAGEMENT

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**\$150,000**

Risk Reduction Grants paid to members

**225**

Pre-defense Reviews and Risk Management  
Legal Consultations provided

**55**

Targeted Risk Management Reviews of member  
programs, policies and procedures

**108**

Traditional Risk Management Audits  
of member exposures in Personnel,  
Homelessness and Fleet Liability

### CLAIMS LITIGATION

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**57%**

Percentage of lawsuits closed with no  
indemnity payment made to plaintiffs

**\$50,933,961**

Claim and lawsuit payments

**1,591**

Number of new claims and lawsuits

### INSURANCE PROGRAMS

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**164**

Number of members

## TRAINING

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**211**

Trainings offered

**\$262,992**

Paid to members for educational and accreditation reimbursements

**158**

Programs eligible for reimbursement

**9,109**

Participants in on-site and on-line trainings

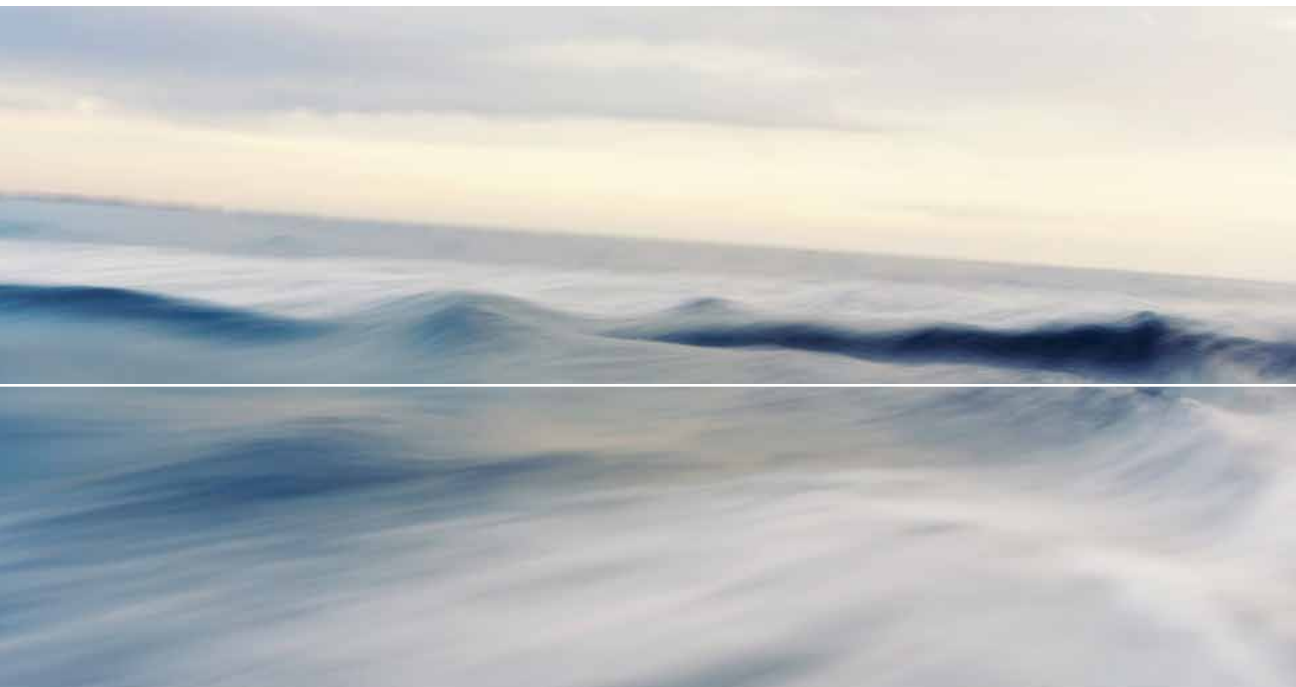
STRENGTH  
INTEGRITY  
COURAGE  
COMMUNITY



# OUR MEMBERS

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

Aberdeen	Coupeville	Grays Harbor	Maple Valley
Anacortes	Covington	Communications	Marysville Fire District
Arlington	Cowlitz 911	Center, E9-1-1	Regional Fire Authority
Auburn	Cowlitz-Wahkiakum	Hoquiam	Mason County
Bainbridge Island	Council of Governments	Issaquah	Emergency
Battle Ground	Des Moines	Jefferson County 911	Communications
Benton City	Des Moines Pool	Kelso	Mattawa
Bonney Lake	Metropolitan Park District	Kenmore	McCleary
Bothell	Duvall	Kennewick	Medical Lake
Brewster	Eastside Public Safety	Kirkland	Medina
Brier	Communications Agency	Kitsap 911	Mercer Island
Burien	eCity Gov Alliance	La Conner	Metropolitan Park District
Burlington	Edgewood	Lacey	of Tacoma
Camas	Edmonds	Lake Forest Park	Mill Creek
Cashmere	Ellensburg	Lake Stevens	Millwood
Centralia	Elma	Lake Stevens Sewer	Milton
Chehalis	Enumclaw	District	Monroe
Chelan	Everson	Lakewood	Monroe Transportation
Cheney	Federal Way	Leavenworth	Benefit District
Clark Regional	Ferndale	Long Beach	Moses Lake
Emergency Services	Fife	Longview	Mount Vernon
Agency	George	LOTT Clean Water	Mountlake Terrace
Clarkston	Goldendale	Alliance	Mukilteo
Cle Elum	Grandview	Lynden	Multi Agency
Clyde Hill	Granite Falls	Lynnwood	Communications Center
College Place		Mabton	Newcastle
			NORCOM



Normandy Park	Pullman-Moscow Regional Airport Board	South Correctional Entity (SCORE)	Union Gap
Normandy Park Metropolitan Park District	Puyallup	South Sound 911	University Place
North Bonneville	Richland	Spokane Regional Emergency Communications	Valley Communications Center
Northshore Park and Recreation Service Area	Ridgefield	Spokane Valley	Valley Regional Fire Authority
Northshore Utility District	Sammamish	Stanwood	Walla Walla
Northwest Incident Management Team	Seattle Southside Regional Tourism Authority	Steilacoom	Walla Walla Valley Metro Planning Organization
Oak Harbor	Selah	Stevenson	Warden
Ocean Shores	Sequim	Sumas	Washington Multi-City License & Tax Portal Agency
Olympia	Shelton	Sumner	Washougal
Olympia Metropolitan Park District	Shelton Metropolitan Park District	Sunnyside	Water Operating Board
Olympia Transportation Benefit District	Shoreline	Three Rivers Regional Wastewater Authority	West Richland
Olympic View Water and Sewer District	Silver Lake Water and Sewer District	Thurston 9-1-1 Communications	Westport
Orting	Skagit 9-1-1	Thurston Public Utility District	WHITCOM 911
Othello	Skagit Council of Governments	Thurston Regional Planning Council	William Shore Memorial Pool District
Pasco	Snohomish	Toppenish	Woodinville
Port Angeles	Snohomish County 911	Tukwila	Woodway
Port Townsend	Snohomish Regional Fire and Rescue	Tukwila Pool Metropolitan Park District	Yakima Valley Conference of Governments
Poulsbo	Snoqualmie	Tumwater	Yarrow Point
Pullman	Soap Lake	Tumwater Metropolitan Park District	Zillah

## STATEMENT OF NET POSITION

<b>As of December 31</b>	<b>2021*</b>	<b>2020</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$29,837,748	\$29,086,373
Accrued Interest	452,435	319,360
Investments	138,602,107	132,913,617
Accounts Receivable	1,640,378	81,296
Prepaid Expenses	14,006,525	11,627,778
TOTAL CURRENT ASSETS	\$184,539,193	\$174,028,424
<b>Noncurrent Assets</b>		
Investment in GEM	\$2,810,619	\$2,503,630
Net Pension Asset	1,900,458	-
Capital Assets	7,144,580	7,064,014
Accumulated Depreciation	(2,829,922)	(2,646,467)
TOTAL NONCURRENT ASSETS	\$9,025,735	\$6,921,177
<b>TOTAL ASSETS</b>	<b>\$193,564,928</b>	<b>\$180,949,601</b>
Deferred Outflows of Resources - Pension	\$244,505	\$247,684
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$193,809,433</b>	<b>\$181,197,285</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Expenses	\$15,347,716	\$87,078
Payroll Liabilities	44,451	153,621
Compensated Absences	219,606	204,845
Deposits Payable	545,830	177,944
Property & Vehicle Claims Reserve	7,434,213	5,096,451
Claim Reserves		
IBNR	14,731,081	13,074,221
Open Claims (Case Reserves)	19,364,507	16,992,097
Unallocated Loss Adjustment Expenses	943,329	927,206
Reserve for Increased Confidence Level	31,555,000	32,224,000
TOTAL CURRENT LIABILITIES	\$90,185,733	\$68,937,463
<b>Noncurrent Liabilities</b>		
Compensated Absences	\$73,986	\$76,041
Claim Reserves		
IBNR	39,828,477	35,348,820
Open Claims (Case Reserves)	52,355,890	45,941,596
Unallocated Loss Adjustment Expenses	2,550,483	2,506,891
Net Pension Liability	-	822,693
TOTAL NONCURRENT LIABILITIES	\$94,808,836	\$84,696,041
<b>TOTAL LIABILITIES</b>	<b>\$184,994,569</b>	<b>\$153,633,504</b>
Deferred Inflows of Resources - Pension	\$2,177,989	\$263,437
<b>NET POSITION</b>		
Investment in Capital Assets	\$4,314,658	\$4,417,547
Unrestricted	2,322,217	22,882,797
TOTAL NET POSITION	\$6,636,875	\$27,300,344
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$193,809,433</b>	<b>\$181,197,285</b>

*\*Unaudited - subject to change*



## STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION

For the years ending December 31	2021*	2020
<b>OPERATING REVENUES</b>		
Member Assessments - Liability	\$39,787,141	\$37,148,963
Member Assessments - Property	17,628,192	14,584,656
Member Assessments - Fidelity	121,460	119,149
Building Revenues	269,533	368,702
Seminar Revenues	5,845	3,562
<b>Total Operating Revenues</b>	<b>\$57,812,171</b>	<b>\$52,225,032</b>
<b>OPERATING EXPENSES</b>		
Loss & Loss Adjustment Expenses	\$50,157,277	\$43,017,668
Confidence Level Expense (Reduction)	(669,000)	5,749,000
Insurance - Members	19,535,671	14,888,104
Salaries and Wages	2,659,797	2,609,442
Personnel Benefits	58,220	649,489
Professional Services		
Claims Adjusting	222,711	265,911
Pre-Defense Review	591,125	616,099
Consultants	135,279	138,309
Legal	39,011	44,933
Actuarial	49,600	47,800
Audit	19,487	26,467
Financial Services	27,611	31,497
Risk Management Audit	7,325	11,720
Transportation	11,131	19,473
Printing	3,506	5,283
Communications	25,395	21,495
Supplies	47,407	45,153
Dues and Conferences	36,366	13,669
Retreat/Board Meetings	15,428	10,717
Depreciation	199,139	195,885
Miscellaneous	17,350	42,487
Risk Grant Reduction	108,609	148,820
Building Expenses	204,069	227,028
Software License Fees	251,411	298,811
Seminars and Training	685,317	510,901
<b>Total Operating Expenses</b>	<b>\$74,439,242</b>	<b>\$69,636,161</b>
Operating Income (Loss)	(\$16,627,071)	(\$17,411,129)
<b>NON-OPERATING REVENUE (LOSS)</b>		
Interest Income	4,916,056	5,791,481
Net Increase (Decrease) in the Fair Value of Investments	(9,259,443)	(2,105,823)
Income (Loss) from Investment in GEM	306,989	459,620
<b>Total Non-Operating Revenue</b>	<b>(\$4,036,398)</b>	<b>\$4,145,278</b>
Change in Net Position	(\$20,663,469)	(\$13,265,851)
Net Position - January 1	\$27,300,344	\$40,566,195
<b>NET POSITION AS OF DECEMBER 31</b>	<b>\$6,636,875</b>	<b>\$27,300,344</b>

\*Unaudited - subject to change

## WCIA 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 I*

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*

Lisa Knaption  
*Senior Risk Management Rep*

Debbi Sellers  
*Senior Risk Management Rep*

Tanya Crites  
*Senior Risk Management Rep*

Carlene Brown  
*Risk Management Rep*

### Claims

Harlan Stientjes  
*Claims Manager*

Gordy Van  
*Senior Claims Adjuster*

Luis Fragoso  
*Senior Claims Adjuster*

Drew Brien  
*Senior Claims Adjuster*

Rachel Roberts  
*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*

## WCIA Executive Committee



Executive  
Committee,  
from L-R Top Row:  
Wade Farris,  
Paul Ellis, Woody  
Edvalson, Brian  
Loos; from L-R  
Bottom Row:  
Shelley Acero,  
Arlene Fisher,  
Deborah Knight,  
Erwin Vidallon.  
Not pictured:  
Mitch Lackey.

Deborah Knight  
*City of Monroe*

### President

Brian Loos  
*City of Longview*

### Vice President

Shelley Acero  
*City of Burlington*

Paul Ellis  
*City of Arlington*

Wade Farris  
*City of Chelan*

Arlene Fisher  
*City of Union Gap*

Mitch Lackey  
*City of Camas*

Erwin Vidallon  
*Metropolitan Park District  
of Tacoma*

Woody Edvalson  
*City of Bonney Lake*



**TACKLING  
CHALLENGES  
TOGETHER**

### **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 six 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.

**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.

## WHO WE ARE

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.

