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.
WCIA stepped up to a variety of challenges in 2018, allowing for improvements and transitions for the future. The year saw new technology, new staff members, new delegates and new alternates. Throughout these transitions, WCIA maintained its dedication to the membership to reduce risk and protect member assets.

The difficulties faced by WCIA allowed opportunities for enhancement. WCIA changed over to a new Risk Management Information System that streamlined internal operations and allowed self-service through a member portal. Members were enabled to download policy information, view and edit property and vehicle schedules, view claim activity and run loss reports. Further challenges occurred with the retirement of WCIA’s Deputy Director and Finance Manager mid-year. Their replacements came from the membership allowing insight into operations from a member perspective. Over 25 new member Delegates and Alternates received in-person orientations and brought new perspectives to our member driven programs.

WCIA’s net position decreased by $12,253,158 due primarily to claim payment and reserve increases as well as a net decrease in the fair value of the pool’s investments. The decrease in the fair value of investments was related to potential interest rate changes and a repositioning of a portion of the portfolio. Another record year in claim payments, over $36 million, highlighted the importance of WCIA’s financial stability. The high dollar amount was largely due to two claims that were resolved for amounts well in excess of $1 million and two claims that resolved at close to $1 million. While concerning, these are prime examples of WCIA’s stepping up to protect member assets.

All WCIA members were visited by their assigned Risk Management Representative and worked collaboratively to formulate tailored risk management solutions. Member Parks and Recreation Programs, Personnel and Police exposures were reviewed as well as targeted reviews of contracts, programs, policies and procedures. Members also benefited from the awarding of Risk Reduction Grants, Legal Risk Consultations and usage of Pre-Defense Review. Risk Management Bulletins responded to emerging exposures such as bike share programs and autonomous vehicles.

Troubling national loss trends prompted a growth in training offerings regarding law enforcement and personnel exposures. In 2018, WCIA offered over 427 training opportunities and set a record of over 15,000 member employees trained. WCIA’s Supervisory Skills Credentialing program continued to have great success and a continuing education component was added for those already credentialed. WCIA’s Police Chief, Risk Manager and Human Resources Forums continued to be popular and allowed member leaders to hear legal updates, risk management advice and share ideas and challenges with one another.

Through the dedication of our member run boards and committees and the hard work of staff, WCIA continued its mission of providing professional risk management and stable risk financing while being responsive to membership needs.

Ann Bennett
EXECUTIVE DIRECTOR
BY THE NUMBERS

RISK MANAGEMENT

$150,000 RISK REDUCTION GRANTS PAID TO MEMBERS

324 Pre-defense Reviews and Risk Management Legal Consultations provided

66 Traditional Risk Management audits of member exposures in Park & Recreation Programs, Personnel & Police

81 Targeted Risk Management Reviews of member programs, policies and procedures

158 NUMBER OF MEMBERS

INSURANCE PROGRAMS
**TRAINING**

15,173 Participants in on-site and on-line trainings

$265,600 Paid to members for educational and accreditation reimbursements

427 Trainings offered

70 Programs eligible for reimbursement

**CLAIMS LITIGATION**

1,644 Number of new claims and lawsuits

2 Trials ending in defense verdicts for the member

$36,250,600 Claim and lawsuit payments
# Statement of Net Position

As of December 31, 2018

## Assets and Deferred Outflows of Resources

### Current Assets
- Reinsurance Receivable: $0 (2018), $2,823,870 (2017)

**Total Current Assets:** $154,341,339 (2018), $161,394,116 (2017)

### Noncurrent Assets

**Total Noncurrent Assets:** $5,713,373 (2018), $5,734,522 (2017)

**Total Assets:** $160,054,712 (2018), $167,128,638 (2017)

### Deferred Outflows of Resources - Pension


## Liabilities, Deferred Inflows of Resources, and Net Position

### Current Liabilities
- Open Claims (Case Reserves): $8,354,379 (2018), $7,403,142 (2017)
- Reserve for Increased Confidence Level: $19,249,000 (2018), $18,400,000 (2017)

**Total Current Liabilities:** $48,980,484 (2018), $44,017,894 (2017)

### Noncurrent Liabilities
- Open Claims (Case Reserves): $21,482,689 (2018), $21,070,480 (2017)
- Unallocated Loss Adjustment Expenses: $1,891,860 (2018), $1,770,770 (2017)

**Total Noncurrent Liabilities:** $62,916,061 (2018), $62,917,372 (2017)

**Total Liabilities:** $111,896,545 (2018), $106,935,266 (2017)

### Deferred Inflows of Resources - Pension
- $495,509 (2018), $302,318 (2017)

**Total Liabilities, Deferred Inflows of Resources, and Net Position:**

### Net Position

**Total Net Position:** $47,848,717 (2018), $60,101,875 (2017)

**Total Liabilities, Deferred Inflows of Resources, and Net Position:**

*Unaudited - subject to change*
## STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION

For the years ending December 31, 2018* 2017

### OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Assessments - Liability</td>
<td>$30,645,461</td>
<td>$29,726,818</td>
</tr>
<tr>
<td>Member Assessments - Property</td>
<td>10,883,031</td>
<td>10,412,921</td>
</tr>
<tr>
<td>Member Assessments - Fidelity</td>
<td>133,986</td>
<td>131,121</td>
</tr>
<tr>
<td>Building Revenues</td>
<td>327,914</td>
<td>353,057</td>
</tr>
<tr>
<td>Seminar Revenues</td>
<td>18,561</td>
<td>28,612</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$42,008,953</strong></td>
<td><strong>$40,652,529</strong></td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss &amp; Loss Adjustment Expenses</td>
<td>$35,478,327</td>
<td>$34,465,217</td>
</tr>
<tr>
<td>Confidence Level Expense (Reduction)</td>
<td>849,000</td>
<td>1,415,000</td>
</tr>
<tr>
<td>Insurance - Members</td>
<td>9,453,520</td>
<td>8,363,372</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>2,298,278</td>
<td>2,135,794</td>
</tr>
<tr>
<td>Personnel Benefits</td>
<td>576,546</td>
<td>656,035</td>
</tr>
<tr>
<td>Professional Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims Adjusting</td>
<td>453,581</td>
<td>505,530</td>
</tr>
<tr>
<td>Pre-Defense Review</td>
<td>744,526</td>
<td>474,468</td>
</tr>
<tr>
<td>Consultants</td>
<td>191,697</td>
<td>286,055</td>
</tr>
<tr>
<td>Legal</td>
<td>74,163</td>
<td>71,841</td>
</tr>
<tr>
<td>Actuarial</td>
<td>47,900</td>
<td>46,400</td>
</tr>
<tr>
<td>Audit</td>
<td>24,544</td>
<td>16,606</td>
</tr>
<tr>
<td>Financial Services</td>
<td>21,129</td>
<td>17,223</td>
</tr>
<tr>
<td>Risk Management Audit</td>
<td>11,720</td>
<td>11,720</td>
</tr>
<tr>
<td>Transportation</td>
<td>100,422</td>
<td>80,830</td>
</tr>
<tr>
<td>Printing</td>
<td>9,941</td>
<td>5,426</td>
</tr>
<tr>
<td>Communications</td>
<td>26,944</td>
<td>29,213</td>
</tr>
<tr>
<td>Supplies</td>
<td>41,365</td>
<td>47,334</td>
</tr>
<tr>
<td>Dues and Conferences</td>
<td>33,862</td>
<td>28,564</td>
</tr>
<tr>
<td>Retreat/Board Meetings</td>
<td>33,751</td>
<td>31,508</td>
</tr>
<tr>
<td>Depreciation</td>
<td>183,771</td>
<td>177,456</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>30,255</td>
<td>35,156</td>
</tr>
<tr>
<td>Risk Grant Reduction</td>
<td>150,000</td>
<td>149,823</td>
</tr>
<tr>
<td>Building Expenses</td>
<td>267,853</td>
<td>267,377</td>
</tr>
<tr>
<td>Software License Fees</td>
<td>209,883</td>
<td>199,828</td>
</tr>
<tr>
<td>Seminars and Training</td>
<td>693,378</td>
<td>696,976</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$52,006,356</strong></td>
<td><strong>$50,214,752</strong></td>
</tr>
</tbody>
</table>

### Operating Income (Loss)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018*</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>($9,997,403)</td>
<td>($9,562,223)</td>
</tr>
</tbody>
</table>

### NON-OPERATING REVENUE (LOSS)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018*</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>6,896,587</td>
<td>6,128,043</td>
</tr>
<tr>
<td>Net Increase (Decrease) in the Fair Value of Investments</td>
<td>(9,314,964)</td>
<td>(4,899,979)</td>
</tr>
<tr>
<td>Income (Loss) from Investment in GEM</td>
<td>162,622</td>
<td>462,348</td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenue</strong></td>
<td><strong>($2,255,755)</strong></td>
<td><strong>$1,690,412</strong></td>
</tr>
</tbody>
</table>

### Change in Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>2018*</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Position</td>
<td>($12,253,158)</td>
<td>($7,871,811)</td>
</tr>
<tr>
<td>Net Position - January 1</td>
<td>$60,101,875</td>
<td>$67,973,686</td>
</tr>
</tbody>
</table>

### NET POSITION AS OF DECEMBER 31

<table>
<thead>
<tr>
<th>Description</th>
<th>2018*</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION AS OF DECEMBER 31</strong></td>
<td><strong>$47,848,717</strong></td>
<td><strong>$60,101,875</strong></td>
</tr>
</tbody>
</table>

*Unaudited - subject to change
OUR MISSION

WCIA will take a leadership role to provide professional risk management and stable risk financing programs that respond to members’ needs.
A Regional Coalition for Housing • Aberdeen • Anacortes • Arlington • Auburn • Bainbridge Island • Battle Ground
Benton City • Benton County Emergency Services • Bonney Lake • Bothell • Brewster • Brier • Burien • Burlington • Camas
Cashmere • Centralia • Chehalis • Chelan • Cheney • Clark Regional Emergency Services Agency • Clarkston • Cle Elum
Clyde Hill • Coupeville • Covington • Cowlitz 911 • Cowlitz-Wahkiakum Council of Governments • Des Moines
Des Moines Pool Metropolitan Park District • Duvall • Eastside Public Safety Communications Agency • eCity Gov Alliance
Edgewood • Edmonds • Ellensburg • Elma • Enumclaw • Everson • Ferndale • Fife • Fife Transportation Benefit District
George • Goldendale • Grandview • Grays Harbor Communications Center, E9-1-1 • Hoquiam • Issaquah
Jefferson County 911 • Kelso • Kenmore • Kennewick • Kirkland • Kitsap 911 Public Authority • Kitsap Regional Coordinating
Council • La Conner • Lacey • Lake Forest Park • Lake Stevens • Lakewood • Leavenworth • Leavenworth Transportation
Benefit District • Long Beach • Longview • LOTT Clean Water Alliance • Mabton • Maple Valley • Marysville • Marysville Fire
District • Mason County Emergency Communications • McCleary • Medical Lake • Medina • Mercer Island • Metropolitan
Park Dist. of Tacoma • Mill Creek • Millwood • Milton • Monroe • Monroe Transportation Benefit District • Moses Lake
Mount Vernon • Mountlake Terrace • Mukilteo • Multi Agency Communications Center • Newcastle • Normandy Park
Normandy Park Metropolitan Park District • North Bonneville • Northshore Utility District • Northwest Incident
Management Team • Oak Harbor • Ocean Shores • Olympia • Olympia Metropolitan Park District • Olympia Transportation
Benefit District • Olympic View Water and Sewer District • Othello • Pasco • PENCOM • Port Angeles • Port Townsend
Poulsbo • Pullman • Pullman Metropolitan Park District • Pullman-Moscow Regional Airport Board • Puyallup • Richland
Ridgefield • Sammamish • Seattle Southside Regional Tourism Authority • Shelton • Shelton Metropolitan Park District
Shoreline • Silver Lake Water and Sewer District • Skagit 9-1-1 • Skagit Council of Governments • Snohomish • Snohomish
County 911 • Snohomish County Emergency Radio System • Snoqualmie • Soap Lake • South Correctional Entity (SCORE)
South Sound 911 • Spokane Regional Emergency Communications • Spokane Valley • Stanwood • Steilacoom • Sumner
Sunnyside • Three Rivers Regional Wastewater Authority • Thurston 9-1-1 Communications • Thurston Public Utility District
Thurston Regional Planning Council • Toppenish • Tukwila • Tukwila Pool Metropolitan Park District • Tumwater • Union Gap
University Place • Valley Communications Center • Valley Regional Fire Authority • Walla Walla • Walla Walla Valley Metro
Planning Organization • Warden • Washington Multi-City License & Tax Portal Agency • Washougal • Water Operating
Board • West Richland • Westport • WHITCOM 911 • William Shore Memorial Pool District • Woodinville • Woodway
Yakima Valley Conference of Governments • Yarrow Point • Zillah
## WCIA Executive Committee Members

<table>
<thead>
<tr>
<th>Name</th>
<th>City/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Timmons</td>
<td>City of Port Townsend President</td>
</tr>
<tr>
<td>Brian Loos</td>
<td>City of Longview Vice President</td>
</tr>
<tr>
<td>Paul Loveless</td>
<td>Town of Steilacoom</td>
</tr>
<tr>
<td>Julie Underwood</td>
<td>City of Mercer Island</td>
</tr>
<tr>
<td>Stan Strebel</td>
<td>City of Pasco</td>
</tr>
<tr>
<td>Deborah Knight</td>
<td>City of Monroe</td>
</tr>
<tr>
<td>Steve Taylor</td>
<td>City of Kelso</td>
</tr>
<tr>
<td>Jay Burney</td>
<td>City of Olympia</td>
</tr>
</tbody>
</table>

Right: Executive Committee Members: Stan Strebel; Jay Burney; Brian Loos; Steve Taylor; David Timmons; Deborah Knight; Julie Underwood; Paul Loveless.

## 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
- **Kel lyn Popp**: Finance Assistant
- **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 Knapton**: Senior Risk Management Rep
- **Debbi Sellers**: Senior Risk Management Rep
- **Tanya Crites**: Senior Risk Management Rep
- **Carlene Brown**: Risk Management Rep

### Claims
- **Reed Hardesty**: Claims Manager
- **Gordy Van**: Senior Claims Adjuster
- **Luis Fragoso**: Senior Claims Adjuster
- **Drew Brien**: Claims Adjuster
- **Doug Martin**: Claims Representative

## Contracted Service Vendors

- **Baber & Mason, CPAs**: Accountant, Actuary
- **Evergreen Adjustment Service**: Claims Service Company
- **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.
OUR CORE VALUES

RESPONSIVENESS
INTEGRITY
STEWARDSHIP
COURAGE