

2010 / 2011

# ANNUAL REPORT

RISK MANAGEMENT TAILORED  
FOR K-12 SCHOOLS

*Celebrating*  
**25** Years

# LETTER TO THE MEMBERSHIP

This year marks the 25th Anniversary of the Washington Schools Risk Management Pool! Our Executive Board wants to acknowledge and thank our members for your commitment and loyalty to building the premier risk management program for K-12 public schools in Washington State.

Our first annual report provided the following background on why the pool was formed: Districts were concerned with their inability to control the rapidly escalating costs of insurance and diminishing scope of coverage and were motivated by their desire to control their own destiny. That is the basis upon which we built our mission statement: The Pool exists so that our members will have secure, long-term protection, tailored to education, against property and liability loss at comparable cost and efficiencies.

See how far we have come since 1986:

	1986	2011
<b>Pool Name</b>	Puget Sound Schools Risk Management Pool	WA Schools Risk Management Pool (changed for state-wide membership)
<b>Total Equity</b>	-\$28,307	\$37 Million
<b>Total Assets</b>	\$7 Million	\$75 Million
<b>Total Insured Value</b>	\$2.1 Billion	\$11.1 Billion
<b>Student FTE</b>	227,000	490,910
<b>Liability Coverage Limits</b>	\$6 Million	\$20 Million
<b>Property Coverage Limits</b>	\$100 Million	\$500 Million
<b>Loss Control Service</b>	Gallagher Bassett	WSRMP Staff
<b>Loss Control Trainings</b>	0	64
<b>Claims Service</b>	Gallagher Bassett	WSRMP Staff
<b>#Claims that year</b>	514	1,248
<b>#ESD Members</b>	3	7
<b>Original 1986 Board of Directors</b>	66	3 still associated with WSRMP
<b>Time Magazine Headlines</b>		



Other noteworthy changes:

### **Coverage**

In 1986, we were the only school pool to develop a Manuscript Coverage Document written specifically for K-12 schools and included Full Replacement Cost coverage for school buses.

Today, our Coverage Document includes specialized areas like: Pre-Loss, Special Ed Administrative Hearings, Investigation Coverage, Emergency Medical Expense, Superintendent/School Board Extended Liability, Surface Water Extraction and Re-Keying locks.

### **Loss Control**

In 1986, Loss Control was contracted to a Third Party Administrator: Gallagher-Bassett, who provided a single individual who toured the membership on an as needed basis, with very limited resources and zero training programs offered.

Today, we have four in-house Loss Control staff who delivered 64 training programs for 2,406 district employees, performed 479 on-site visits, wrote 923 recommendation memos, responded to 333 phone inquiries and helped our members achieve an aggregate premium credit of \$1.8 million through participation in our Risk Assessment Survey Program: all in just this 2010-11 year.

### **Operations**

In 1986, our offices were in a single converted classroom of the old Maywood Elementary School, just south of the Sea-Tac airport runway, so close that we had to stop our telephone conversations every time an airplane took off or landed. We had a Risk Manager and secretary with a Wang word processor and dot matrix printer.

Today, we lease offices from the WA Cities Insurance Authority, a companion pool of cities with similar issues, training topics and philosophies. Our 21 person staff each has a smart phone to access our network to be able to provide answers and resources directly to our membership.

We have achieved significant results since our formation in 1986 and we are benefiting today from the accomplishments of a mature and well managed pool. In our 25 year history we have attained solid financial stability, have consistently protected our members against losses, have regularly reviewed and expanded coverage & services, have never issued a member re-assessment and are maintaining a 95% actuarial confidence level. Our financial strength is the cornerstone that has allowed us the flexibility to self-insure or to reinsure a portion of our layers, to develop exceptional coverage and litigation management as well as innovative risk management services and to provide our members secure long-term protection.

Whether you've been with us for 25 years or joined us more recently, we thank you for your loyal membership and for making Washington Schools Risk Management Pool one of the leading pools for K-12 schools in the country.

Respectfully Submitted,

Handwritten signature of Richard Staudt in black ink.

Richard Staudt  
*Chairman, Executive Board*

Handwritten signature of David Hayasaka in black ink.

David Hayasaka  
*Executive Director*

# BALANCE SHEET

AUGUST 31  
**2011**  
(UNAUDITED)

AUGUST 31  
**2010**

## ASSETS

Net Cash Equivalents .....	74,594,897	66,075,349
Recoveries Receivable .....	(25)	(13,672)
Large Dist Deductible .....	243,860	559,281
Interest Receivable .....	42,765	47,516
Reinsurance Receivable .....		2,976,370
Adjustment to Fair Value .....	268,542	317,162
Prepaid Rent .....	7,690	7,690
Security Deposit for Lease .....	9,161	9,161
Current Assets .....	75,166,890	69,978,857
Net Restricted Assets .....	263,424	244,669
Net Capital Assets .....	315,403	413,479

## TOTAL ASSETS

**75,745,717**

**70,637,005**

## LIABILITIES

Accounts Payable-PESD .....	214,471	62,575
Unearned Contributions .....	5,242,935	2,374,176
Prepaid Reinsurance Received .....		709,968
Total Claims Payable .....	31,668,353	37,051,197
ULAE .....	1,565,031	1,148,587

## TOTAL LIABILITIES

**38,690,789**

**41,346,503**

## EQUITY

Equity, Beginning .....	29,290,502	27,270,690
Net Income (Loss) for Fiscal Year .....	7,764,425	2,019,813
Ending Equity Components: .....		
Restricted Assets .....	263,424	244,669
Invested in Capital Assets .....	315,403	413,479
Reserve for 90% Confidence Level .....	16,816,000	
Unrestricted .....	19,660,101	28,632,354

## TOTAL EQUITY

**37,054,928**


**29,290,502**

## TOTAL LIABILITIES & EQUITY

**75,745,717**

**70,637,005**

## MEMBER DISTRICTS (Bold denotes Original Member)

- Anacortes School District
  - Arlington School District
  - Auburn School District
  - **Bainbridge Island School District**
  - Blaine School District
  - **Brinnon School District**
  - Burlington-Edison School District
  - Cape Flattery School District
  - Carbonado School District
  - Chimacum School District
  - Clover Park School District
  - Concrete School District
  - Conway School District
  - Coupeville School District
  - Crescent School District
  - Darrington School District
  - Dieringer School District
  - Eatonville School District
  - Edmonds School District
  - Educational Service District #105
  - Educational Service District #105 WCC
  - Educational Service District #123
  - Educational Service District #123 WCT
  - **Enumclaw School District**
  - Everett School District
  - Federal Way School District
  - Fife School District
  - Franklin Pierce School District
  - Index School District
  - Issaquah School District
  - La Conner School District
  - Lake Stevens School District
  - Lake Washington School District
  - Lopez Island 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
  - **North Kitsap School District**
  - Northshore School District
  - NorthEast WA Educational Service District #101
  - Northeast Workers Compensation Trust
  - **Northwest Educational Service District #189**
  - Northwest Workers Compensation Trust
  - Oak Harbor School District
  - **Olympic Educational Service District #114**
  - Orcas Island School District
  - **Orting School District**
  - Pasco School District
  - Peninsula School District
  - Port Angeles School District
  - Port Townsend School District
  - Puget Sound Educational Service District #121
  - Puget Sound Workers Compensation Trust
  - **Puyallup School District**
  - **Queets-Clearwater School District**
  - **Quilcene School District**
  - **Quillayute Valley School District**
  - **Riverview School District**
  - Seattle School District
  - Sedro-Woolley School District
  - **Shaw Island School District**
  - Shoreline School District
  - **Skykomish School District**
  - SW WA Risk Mgt Insurance Cooperative
  - **South Whidbey School District**
  - Spokane School District
  - Stanwood-Camano School District
  - **Steilacoom School District**
  - **Sumner School District**
  - **Tacoma School District**
  - **Tahoma School District**
  - **Tukwila School District**
  - University Place School District
  - **Vashon Island School District**
  - **White River School District**
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# EXECUTIVE BOARD

The Executive Board is the governing body of the Pool. The membership elects their representative from their size category to serve on the Board.

	POSITION #	NAME	DISTRICT	REPRESENTS
CHAIR	7	Richard Staudt	Seattle	Large
VICE CHAIR	2	Patty Page	Coupeville	Small
PAST CHAIR	5	Ron Spanjer	Blaine	Medium
PAST CHAIR	9	Mark Anderson	Spokane	Large
PAST CHAIR	6	Rick Jones	North Kitsap	Medium
PAST CHAIR	8	Dick Anastasi	Northshore	Large
PAST CHAIR	1	Tim Bruce	La Conner	Small
MEMBER	10	Loy Dale	SWRMIC	Interlocals
MEMBER	3	Diane Reaume	Quillayute Valley	Small
MEMBER	4	Carl Bruner	Mt Vernon	Medium
EX-OFFICIO		Monte Bridges	Puget Sound ESD	Ex-officio
EX-OFFICIO		Carol Browder	NW ESD 189	Ex-officio
EX-OFFICIO		Carol Kovarnik	Olympic ESD 114	Ex-officio
EX-OFFICIO		Jerry McDermott	NEW ESD 101	Ex-officio
EX-OFFICIO		Michelle Dearlove	ESD 123	Ex-officio
EX-OFFICIO		Tim Merlino	ESD 112	Ex-officio
EX-OFFICIO		Tom Fleming	ESD 105	Ex-officio

# POOL ADMINISTRATION

## Puget Sound Educational Service District

The Pool contracts with the Puget Sound ESD to provide personnel and fiscal services.

Superintendent **Monte Bridges**  
 Asst. Superintendent for Finance **Stephen Nielsen**

## Washington Schools Risk Management Pool Staff

Executive Director **David Hayasaka**  
 Assistant Executive Director **Deborah Callahan**  
 Director of Risk Management **Mary Sue Linville**  
 Director of Member Services **Bob Fulmer**

## Pool Service Contractors

**Coverage Counsel** Cozen O’Conner  
**Defense Attorney Firms** Soha & Lang  
 Law, Lyman, Daniel, Kamerrer & Bogdanovich  
 Patterson Buchanan Fobes Leitch & Kalzer  
 Dionne & Rorick  
 Preg, O’Donnell & Gillett  
 K & L Gates  
 Stevens, Clay, Manix  
 Vandeberg, Johnson & Gandara  
 Williams Kastner  
 Freimund Jackson & Tardif  
**Insurance Broker** A.J. Gallagher - Denver  
**Actuary** Bickmore Risk Services  
**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)



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