

Annual Report 2013



enduris™

WASHINGTON





Top
Row

Dick Gormley
Secretary / Treasurer
Chelan County FPD #6

Mark A. Kammers
Chief Executive Officer
Enduris

Michael R. Millikin
Chair
Lewis Co. Water Sewer District #6

Middle
Row

Noel Hardin
Vice Chair
Asotin County FPD #1

Rick Mockler
Director
Benton Franklin Health District

Bottom
Row

Kim Bedier
Director
Edmonds Public Facilities District

Jeri Sevier
Director
Port of Olympia

Vicki Carter
Director
Spokane Conservation District

Our Mission:

To provide financial protection, broad coverage, and risk management services responsive to members' needs.



1	Message from the Chair
2	Message from the CEO
3	Financial Discussion & Analysis
9	Comparative Balance Sheet
10	Comparative Statement of Revenues, Expenses and Changes in Members' Net Position
11	Coverage
12	Rates
13	Exposures
14	Claims Activity
16	Membership Growth
17	Accomplishments
18	Membership List
23	Enduris Staff

Our Values:

Membership Focus, Expertise in Government Insurance, Doing What's Right,
Making Insurance Uncomplicated, Financial Stability & Predictability

ENDURIS BOARD CONTINUES TO DIRECT RESULTS



In 2006, the Enduris Board of Directors hired Aspen Group International to help Enduris implement the Coherent Governance model. Influenced heavily by the Carver model of governance, the Coherent Governance model establishes governing policies and rigorously monitors organizational performance for compliance with its Operational Expectations policies and reasonable progress toward the achievement of its Results (strategic goals) policies. Based on Enduris' Mission Statement, the Board developed the following Results:

- Members have long-term protection from property and liability loss through the long-term viability and financial stability of Enduris.
- Members have the advantage of competitive, stable, and understandable rates.
- Members have the advantage of competent, responsive, fair, and balanced claims administration, including Board review when appropriate.
- Members have the advantage of broad coverage influenced by their needs.

On behalf of the Board of Directors, I am happy to report that Enduris had another successful year by making progress toward or meeting all four Results. The 2013 Annual Report is dedicated to bringing you the highlights of the policy year.

Since the inception of the Results policies, Enduris has steadily made progress toward delivering an increasingly stable and financially viable Pool to serve its members' needs. I want to thank you for placing your trust in Enduris. As we embark on another policy year, you can be assured that Enduris is poised to continue this tradition of success.


Michael R. Millikin
Board Chair



FINANCIAL PROTECTION AND LONG-TERM STABILITY CONTINUES

Policy Year (PY) 2013 was another successful year for Enduris. We remain in the midst of an unusually long and sustained soft market characterized by low rates and strong competition for potential and existing members from the commercial market and other pools. In spite of this

challenge, Enduris continued to grow and the Pool remains strong.

In PY 2013, Enduris added to the *financial stability* of the Pool. Net position grew by \$1,149,893 or 9.3% over PY 2012. Membership grew by 9 new members and the retention rate of existing members was 100%.

Rates remained stable, increasing by the rate of inflation. Board policy requires annual rate increases to mirror the rate of inflation which allows for predictability for members and provides financial stability for the Pool. This allows the Pool to avoid the volatile, sharp spikes in rates that characterize a hard market.

Enduris' *claims administration* is our strength. All members with a claim closed during the policy year are surveyed about their satisfaction with their claim experience. Year after year, the responses have been quite positive. Enduris continues to strive to enhance claims services because we are here to serve the membership.

Enduris continues to provide *broad coverage* for property and liability losses. Other ancillary coverages are secured and maintained on behalf of members that have additional specialized exposures.

Providing value to the membership is a driving force of the Enduris staff. Risk management services such as training, field assessments, contract reviews, pre-defense services, and resources such as MRSC are some of the tools available to encourage and assist members to mitigate their claims exposures.

On behalf of the Board and staff, thank you for your continued membership and support of Enduris. We look forward to serving you in 2014.

Mark A. Kammers
Chief Executive Officer



Introduction:

Enduris management presents this condensed narrative overview and analysis of the financial activities of the Pool for the fiscal year (FY) ended August 31, 2013. The financial statements are audited on an annual basis by the Washington State Auditor's Office. Due to the timing of the audit, the financial statements presented for FY 2013 have not been audited and are subject to change. Upon completion of the audit and issuance of the audit report, the Comprehensive Annual Financial Report (CAFR) will be available on Enduris' website or by contacting the office. We encourage reference to the CAFR which includes a detailed discussion and analysis, complete financial statements including notes to the financial statements, required supplementary information, and statistical ten-year trends.

The Pool reports its activities as an enterprise fund. An enterprise fund is a proprietary fund, and as such uses full accrual accounting for its activities. Revenues are recognized when earned and expenses are recognized when incurred. Enduris is not legally required to formally adopt a budget; however, it does so in order to monitor revenues and expenses and for rate setting purposes. We encourage the use of this analysis in conjunction with the comparative balance sheet and comparative statement of revenues, expenses and changes in net position included in this report.

Highlights:

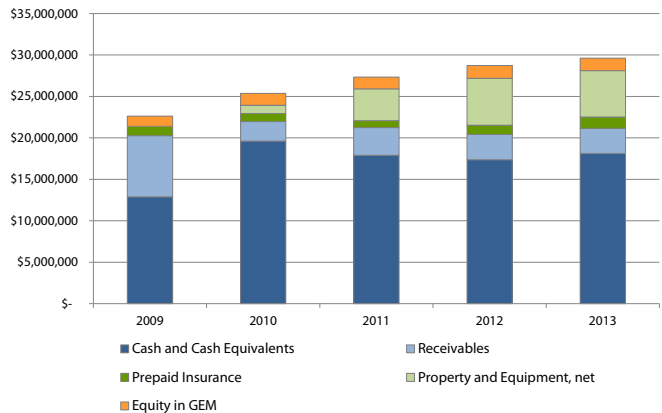
- Enduris' overall financial position improved during FY 2013. Net position increased by \$1,149,893. This change represents a 9.3% increase in net position from prior year.
- Enduris continues to meet the solvency standards established by Washington Administrative Code (WAC) 200-100-03001.
- Enduris, in total, outperformed compared to budget. Total revenues were .3% under budgeted revenues. Expenses were 8.7% under budget. Enduris contributed 12.9% of revenue to net position. It is Board policy to allocate a minimum of 5% of contribution revenue to net position annually.
- Enduris is funded in excess of the 97% confidence level as it relates to claim reserves.
- Enduris had 100% retention for the FY 2013 membership renewal. Nine new members joined the Pool for a total membership of 486.

Net Position:

	<u>2013</u>	<u>2012</u>
Current Assets	\$ 22,519,753	\$ 21,520,091
Capital Assets	5,593,685	5,666,691
Other Non Current Assets	1,505,271	1,549,355
Total Assets	\$ 29,618,709	\$ 28,736,137
Current Liabilities	\$ 11,200,779	\$ 11,279,583
Non Current Liabilities	4,921,610	5,110,128
Total Liabilities	\$ 16,122,390	\$ 16,389,711
Net Investment in Capital Assets	\$ 5,593,685	\$ 5,666,691
Unrestricted Net Position	7,902,634	6,679,735
Total Net Position	\$ 13,496,319	\$ 12,346,426

Assets:

In total, assets increased by 3.1%. The increase in cash and cash equivalents is a net result of a decrease in purchases of capital assets and an increase in claim payments. In total, receivables were stable. Receivables due from excess/reinsurance carriers increased because of a large recoverable from our insurance carrier on a multi plaintiff 1994 liability claim. Receivables due from members for contributions decreased for FY 2013 due to the timing of payments for renewal invoices.



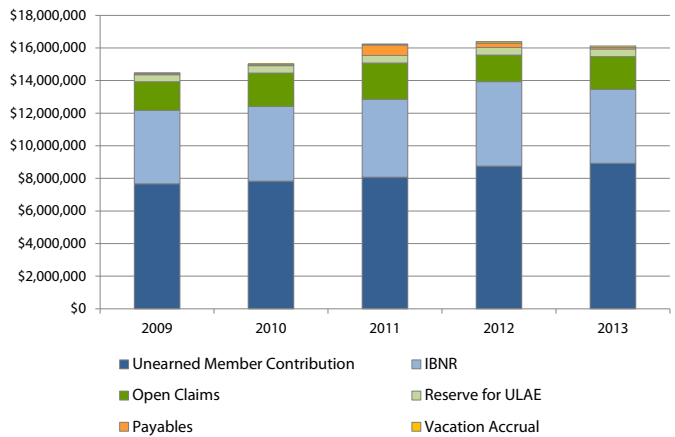
Prepaid insurance increased 23.8%. Timing of a payment for excess/reinsurance premiums, as well as an increase in premiums for excess/reinsurance property coverage caused the increase.



For the Fiscal Year Ended August 31, 2013

Liabilities:

In total, liabilities of the Pool have been relatively stable. The primary liabilities are: claim reserves, which include open claims, incurred but not reported (IBNR) and unallocated loss adjustment expenses (ULAE); and unearned member contributions (member contributions billed that will be recognized in the subsequent fiscal period). Claim reserves decreased 3.7%. The estimate for future claim costs (claim reserves) is based on various complex factors, and as such will vary. Claim reserves are evaluated bi-annually by the actuary, PricewaterhouseCoopers LLC (PwC).



Retainage was released to the general contractor for the new office building, resulting in a decrease in retainage payable. Enduris has no long-term debt.

Changes in Net Position:

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Member Contributions	\$ 8,784,727	\$ 8,403,104
Other	<u>12,615</u>	<u>-</u>
Total Operating Revenue	\$ 8,797,342	\$ 8,403,104
Non Operating Revenues (Expenses):		
Interest Income	137,791	161,513
Change in Equity in GEM	<u>(44,084)</u>	<u>137,661</u>
Total Non Operating Revenue	<u>\$ 93,707</u>	<u>\$ 299,174</u>
Total Revenue	\$ 8,891,049	\$ 8,702,278
Operating Expenses:		
Incurred Loss and Allocated Loss Adjustment Expenses:		
Claims Paid, net of recoveries	\$ 3,181,913	\$ 3,231,648
Change in Liabilities for unpaid claims	(260,622)	(185,614)
Unallocated Loss Adjustment Expenses:		
Change in ULAE Reserve	(8,000)	-
Excess/Reinsurance Premiums	2,069,493	1,844,113
Insurance Services:		
Brokerage Fee	135,000	135,000
Actuarial Services	36,900	31,300
General & Administrative	506,035	634,042
Contracted Services	321,282	321,403
Payroll	1,686,149	1,385,563
Depreciation	<u>73,006</u>	<u>38,140</u>
Total Operating Expenses	<u>\$ 7,741,156</u>	<u>\$ 7,435,594</u>
Total Expenses	\$ 7,741,156	\$ 7,435,594
Change in Net Position	\$ 1,149,893	\$ 1,266,684
Ending Net Position	\$ 13,496,319	\$ 12,346,426

Revenues:

Operating revenue is generated from member contributions and member trainings. Fiscal Year 2013 member contributions increased by 4.5%. Factoring into the increase in member contributions was an overall combined rate increase of 2.75%.

Non operating revenue is interest earned on excess cash invested with the Spokane County Investment Pool (SCIP) and the change in Enduris' equity in Government Entities Mutual (GEM). The changes in non operating revenue are due in large part to the change in the equity in GEM. GEM is a member owned reinsurer whose member-owners share in their profit and losses. During FY 2013, GEM experienced a loss. GEM also changed their allocation method. The method is under review due to unexpected consequences of the change. Interest rates earned on funds invested with SCIP continue to hover around 1%. At FY 2013 year end, interest rate was .823%.

Expenses:

In total, operating expenses increased 4.1%. The economy, as well as growth in membership and an increase in self-insured retention, continues to play a crucial role in incurred loss and allocated loss adjustment expenses (claim expense). The estimate for claim reserves is evaluated bi-annually by PwC and any adjustments are charged or credited to claim expense in the current year. In general, liability claims have been trending favorably. In the past few years, Enduris has experienced an upturn in the number of property and employment practices liability claims.

Excess/reinsurance premiums continue their upward trend, increasing by 12.2%. Liability excess/reinsurance premium rates were adjusted 3% for inflation. Property excess/reinsurance premiums increased due to a 15.8% increase in total insured values, an 8.0% rate increase for Non-HPR properties, and an 11.6% rate increase for HPR properties. Loss history and market conditions were factors in the rate increase.

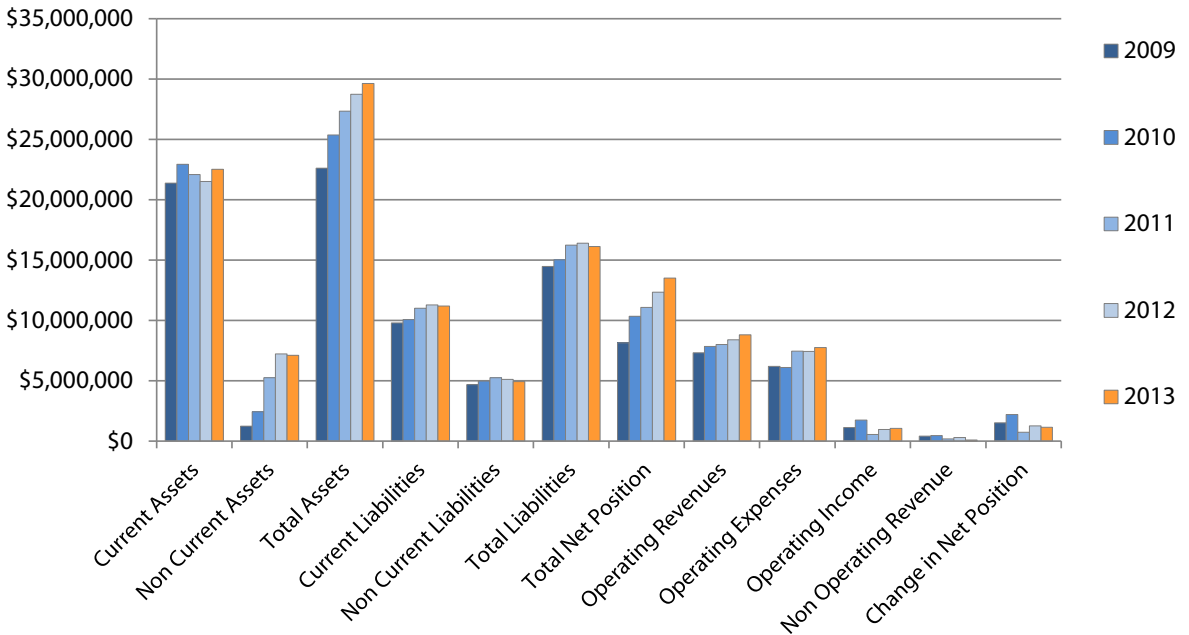
General and administrative expenses decreased 20.2%. During FY 2012, Enduris purchased furnishings for the office building. While the new building eliminated rent expense, the Pool incurred increased utilities and maintenance costs, and depreciation expense associated with the new building. Contributing to the increase in staff travel expense has been the addition of an in-house claims analyst and replacement of marketing personnel. Continuing efforts to provide risk management educational opportunities to the membership resulted in increased member education expenses.



Pre-defense costs increased and computer support services decreased resulting in contracted services being stable. The pre-defense program is designed to help mitigate and/or avoid a claim or lawsuit and reduce claim expenses overall. The pre-defense program is used primarily for employment practices liability incidents. During FY 2013, Enduris went out to bid for a new computer support services contract. The contract is effective FY 2014.

Payroll expenses increased 21.7%. Enduris increased staffing by two employees during 3rd quarter of FY 2012, and added a staff member in 1st quarter FY 2013. One of the new staff filled a vacant position. Enduris Board of Directors instituted an incentive plan during FY 2013.

Comparative Financial Data



COMPARATIVE BALANCE SHEET

August 31, 2013* and 2012

	2013*	2012
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 18,125,632	\$ 17,374,686
Receivables:		
Member Contributions	1,541,186	2,760,711
Accrued Copays/Deductible	69,540	108,058
Accrued Excess/Reinsurance	1,420,024	175,207
Prepaid Insurance	<u>1,363,372</u>	<u>1,101,429</u>
Total Current Assets	<u>\$ 22,519,753</u>	<u>\$ 21,520,091</u>
Non Current Assets		
Property and Equipment:		
Land	\$ 1,319,260	\$ 1,319,260
Other Capital Assets	28,041	28,041
Office Building, net of accumulated depreciation	3,611,428	3,660,563
Land Improvements, net of accumulated depreciation	471,896	478,317
Equipment, net of accumulated depreciation	163,060	180,510
Equity in GEM	<u>1,505,271</u>	<u>1,549,355</u>
Total Non Current Assets	<u>\$ 7,098,956</u>	<u>\$ 7,216,046</u>
TOTAL ASSETS	<u>\$ 29,618,709</u>	<u>\$ 28,736,137</u>
LIABILITIES & NET POSITION		
Current Liabilities		
Accounts Payable	\$ 82,416	\$ 66,294
Retainage Payable	12,750	187,961
Payroll/Payroll Taxes Payable	595	839
Accrued Vacation Payable	79,312	89,119
Unearned Member Contributions	8,920,754	8,749,830
Claim Reserves:		
IBNR	1,362,000	1,556,355
Open Claims	604,353	488,185
Unallocated Loss Adjustment Expenses	<u>138,600</u>	<u>141,000</u>
Total Current Liabilities	<u>\$ 11,200,779</u>	<u>\$ 11,279,583</u>
Non Current Liabilities		
Accrued Vacation Payable	\$ 10,052	\$ 10,535
Claim Reserves:		
IBNR	3,178,000	3,631,495
Open Claims	1,410,158	1,139,098
Unallocated Loss Adjustment Expenses	<u>323,400</u>	<u>329,000</u>
Total Non Current Liabilities	<u>\$ 4,921,610</u>	<u>\$ 5,110,128</u>
Total Liabilities	<u>\$ 16,122,390</u>	<u>\$ 16,389,711</u>
Net Position		
Net Investment in Capital Assets	\$ 5,593,685	\$ 5,666,691
Unrestricted	<u>7,902,634</u>	<u>6,679,735</u>
Total Net Position	<u>\$ 13,496,319</u>	<u>\$ 12,346,426</u>
TOTAL NET POSITION & LIABILITIES	<u>\$ 29,618,709</u>	<u>\$ 28,736,137</u>

*unaudited, subject to change

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN MEMBERS' NET POSITION

For the Fiscal Years Ended August 31, 2013* and 2012

	2013*	2012
OPERATING REVENUES:		
Member Contributions	\$ 8,784,727	\$ 8,403,104
Other	12,615	
TOTAL OPERATING REVENUES	<u>\$ 8,797,342</u>	<u>\$ 8,403,104</u>
OPERATING EXPENSES:		
Incurred Loss and Allocated Loss Adjustment Expenses:		
Claims Paid, net of recoveries	\$ 3,181,913	\$ 3,231,648
Change in Liabilities for unpaid claims	(260,622)	(185,614)
Unallocated Loss Adjustment Expenses:		
Change in ULAE Reserve	(8,000)	-
Excess/Reinsurance Premiums	2,069,493	1,844,113
Insurance Services:		
Brokerage Fee	135,000	135,000
Actuarial Services	36,900	31,300
General and Administrative	506,035	634,042
Contracted Services	321,282	321,403
Payroll Expense	1,686,149	1,385,563
Depreciation	73,006	38,140
TOTAL OPERATING EXPENSES	<u>\$ 7,741,156</u>	<u>\$ 7,435,594</u>
OPERATING INCOME	<u>\$ 1,056,186</u>	<u>\$ 967,510</u>
NON OPERATING REVENUES (EXPENSES):		
Interest and Investment Income	\$ 137,791	\$ 161,513
Change in Equity in GEM	(44,084)	137,661
Gain on Disposal of Equipment	-	-
TOTAL NON OPERATING REVENUES and EXPENSES	<u>\$ 93,707</u>	<u>\$ 299,174</u>
CHANGE IN NET POSITION	<u>\$ 1,149,893</u>	<u>\$ 1,266,684</u>
NET POSITION, beginning of year September 1	<u>\$ 12,346,426</u>	<u>\$ 11,079,742</u>
NET POSITION, end of year August 31	<u>\$ 13,496,319</u>	<u>\$ 12,346,426</u>

*unaudited, subject to change

FINANCIAL CONTACT

Questions concerning the information provided in this discussion and analysis, and Enduris' financial statements, or requests for additional information should be addressed to:

Enduris
Mark A. Kammers, Chief Executive Officer
1610 S. Technology Blvd.
Spokane, WA 99224
509-838-0910
800-462-8418

Lines of Coverage:

Enduris understands that special purpose districts have unique exposures and coverage needs. The liability program offers specialized coverages to members based on member type and needs. Enduris has created its own coverage document to provide broad and comprehensive coverage to the membership. The coverage document referred to as the Memorandum of Coverage (MOC) is reinsured with AM Best rated insurance providers, and is an occurrence form. The majority of the limits and sublimits on all lines of coverage are per member and not shared among other Pool members.

General Liability:

The liability package includes: General Liability, Auto Liability, Employment Practices Liability, Cyber Liability, and Public Officials Errors and Omissions.

Although a small number of members have higher deductibles, the majority of members have a \$1,000 deductible for liability coverage. Enduris’ self-insured retention (SIR) is \$1,000,000. Any losses over the SIR are covered by Enduris’ reinsurance carriers up to \$10,000,000.

TYPE OF COVERAGE	MEMBER DEDUCTIBLES	SELF-INSURED RETENTION	EXCESS LIMITS
Comprehensive General Liability	\$1,000	\$1,000,000	\$10,000,000
Professional Liability	1,000	1,000,000	10,000,000
Terrorism Liability	1,000	1,000,000	10,000,000
Auto Liability	1,000	1,000,000	10,000,000
Public Officials Errors and Omissions	1,000	1,000,000	10,000,000
Employment Practices Liability	20% Copay	1,000,000	10,000,000
Cyber Liability	1,000	50,000	2,000,000

Property:

Enduris provides property coverage through the Public Entity Property Insurance Program (PEPIP). The policy is “All Risk” providing members the broadest form of coverage. Districts may choose to add additional property coverage such as additional Flood or Earthquake depending on their needs. Members generally have a \$1,000 deductible for basic property and contents loss, though they may choose higher deductibles.

TYPE OF COVERAGE	MEMBER DEDUCTIBLES	SELF-INSURED RETENTION	EXCESS LIMITS
Property Loss			
Buildings and Content	\$1,000	\$250,000	\$1,000,000,000
Flood	100,000 - 250,000		50,000,000 (shared)
Earthquake	100,000		10,000,000 (shared)
Terrorism	1,000	250,000	250,000,000 (shared)
Boiler and Machinery	1,000	Varies	100,000,000
Auto Physical Damage	250	25,000	1,000,000,000
Blanket Dishonesty, Named Position	1,000	1,000,000	varies

Ancillary:

Enduris also assists the members in obtaining specialty coverages referred to as Ancillary coverage. In PY 2013, approximately 118 policies were secured and maintained for Enduris members for the following lines of coverage:

- Provident, Group Term Life, Accident and Health, Group Term Life, and Accidental Death and Dismemberment (for Fire Districts)
- Commercial Airport Liability
- Marina Operators Legal Liability (MOLL)
- Commercial Difference in Conditions (excess quake)
- Commercial Pollution Liability
- Notary Bonding Requirements
- Miscellaneous Bonds
- Railroad Liability Insurance
- Excess Liability

Rating Policy:

The 2013 Enduris Rating Policy, approved by the Board of Directors in August 2012, states:

“The overall property and liability rate adjustment Pool wide should approximately mirror that of the current rate of inflation. For Policy Year 2013, the average of the property and liability rate combined is estimated at 2.75%.”

Enduris rates increased an average of 2.75% as estimated by the board.

Membership Rates:

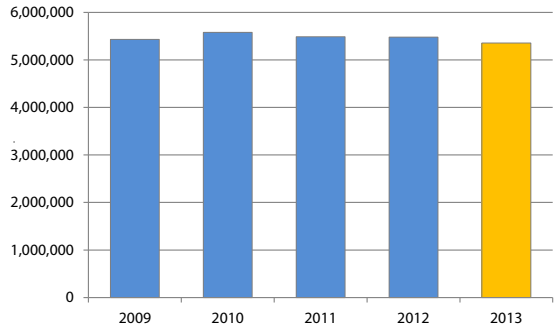
The liability rates for members are based on Enduris Board policies and the actuarial study conducted by PricewaterhouseCoopers LLC (PwC). The study is conducted annually with exposure information provided by Enduris. Enduris follows PwC’s recommendation to maintain an efficient and uncomplicated rating system. The Rating Policy outlines fair and equitable rates to each member while efficiently and responsibly meeting the needs of the Pool.

The property rates are determined by competitive market forces. Property coverage is purchased wholesale from the Public Entity Property Insurance Program (PEPIP) and divided into two classifications: Highly Protected Risk (HPR) or Non-HPR. Property rates are based on insured values and risk type (HPR or Non-HPR). The PEPIP program determines whether a property listing is HPR. Most members’ property is classified as Non-HPR.



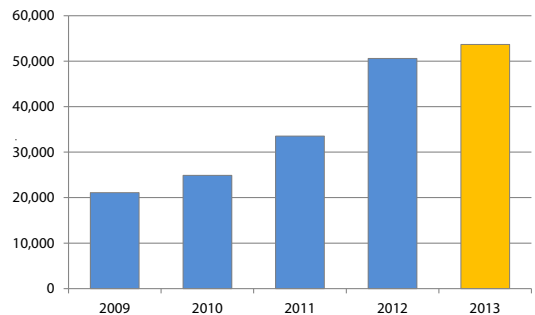
L&I Hours:

Enduris calculates liability contributions for most members by tallying the number of hours reported to the Washington State Department of Labor and Industries (L&I). These hours represent an amount of risk generated by employees, elected officials, and volunteers. In PY 2013, L&I hours reported to Enduris decreased by 2.31% from 5,479,631 to 5,355,633. As local government budgets continue to be restricted, cuts to staffing levels may continue.



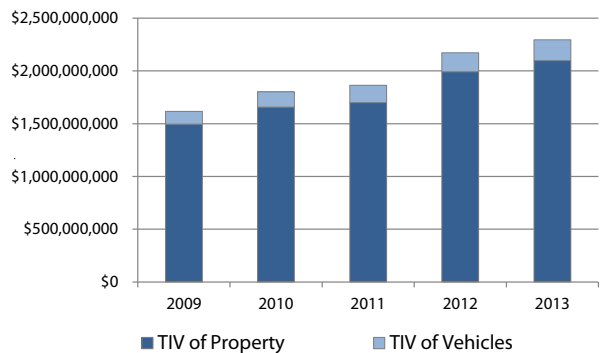
Emergency Runs:

Because fire districts do not submit quarterly reports to L&I, Enduris calculates liability contributions for fire districts by the number of annual emergency runs. Emergency runs can include anything from home or wild land fires to water rescues or emergency medical services, depending on the district and its responsibilities. In PY 2013, reported emergency runs increased 6.11% from 50,583 to 53,677.



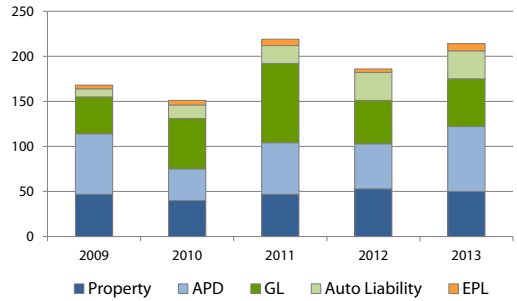
Total Insured Value:

The values of each members' buildings and contents, equipment, and certain vehicles or apparatus is combined and known as the Pool's Total Insured Value (TIV). The steady increase to the Pool's TIV over the last several years has various contributing factors: new construction, added vehicles, inflation adjustments, and member growth (new members). In PY 2013, the property TIV increased 5.28% from \$1,992,371,679 to \$2,097,738,485. TIV for vehicles increased 9.24% from \$179,963,352 to \$196,593,646.



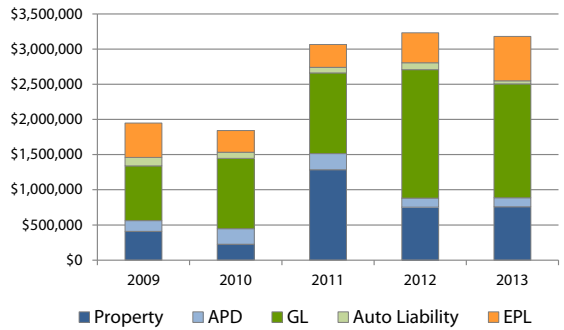
Claims Reported:

Claims reported represent the number of claims opened by Enduris in a single year. Because Enduris policies are “Occurrence Form,” claims can be filed for losses that occurred in previous coverage years. In PY 2013, 215 claims were opened by Enduris. There were 50 Property claims, 72 Auto Physical Damage, 55 General Liability, 30 Auto Liability, and 8 Employee Practices Liability claims.



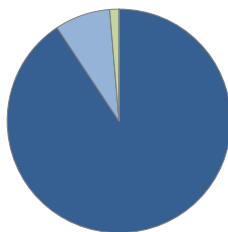
Claim Costs:

Claim costs represent the total dollar amount paid by Enduris during the year to pay claims. Like claims reported, claim costs do not consider the year in which the loss occurred, only the year in which the claim payment was made. Claim costs in PY 2013 totaled \$3,181,913. By lines of coverage: \$759,250 Property, \$128,488 Auto Physical Damage, \$1,618,664 General Liability, \$44,046 Auto Liability, and \$631,465 Employee Practice Liability.



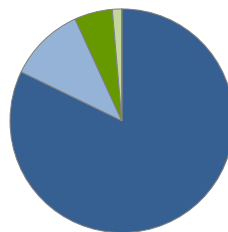
Claims Survey:

Conducting a quarterly Claims Satisfaction Survey is one way for Enduris to gauge members’ satisfaction with the claims handling process. Members with claims are sent an electronic survey when the claim is closed. The survey gathers qualitative and quantitative data that examines staff capabilities in the form of service, knowledge, technical competency, explanation of process, and responsiveness. Of the members contacted for each closed claim, 40% responded. Members had overwhelmingly positive feedback, and responded with either Excellent or Good ratings over 90% of the time.



■ Excellent ■ Good ■ Neutral ■ Fair ■ Poor

Ease of Reporting



■ Excellent ■ Good ■ Neutral ■ Fair ■ Poor

Overall Satisfaction

Claims Audit:

Enduris conducts an independent claims audit as directed by WAC 200-100-050. The audit helps Enduris by providing an objective review of procedures based on industry standards. In PY 2013, the claims audit was conducted by Craig Bowlus with Aon Risk Services. Taken from the 2013 Claims Audit report, Craig had this to say about Enduris' claims handling:

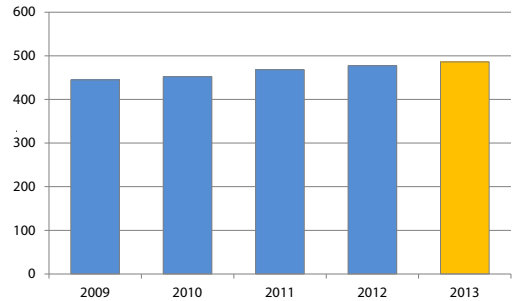
“Claims management and resolution is very good. Reserving is accurate and continuing to improve on the expense side. A proactive approach to settling serious claims has served the pool well for years. As a result, there is only one open file where there is a total incurred value in excess of \$500,000. In fact, the claims involved stem from events that occurred over 15 years ago. Litigation management practices continue to improve, with the reporting lag from some law firms that was the principal concern in the 2012 report having been largely resolved. The conclusion reached is that from a claims handling standpoint, Enduris remains a well-managed government entity risk pooling entity.”

-Craig Bowlus, ARM
Managing Director/Risk Pooling
Aon Risk Services



Membership Growth:

Growth in membership helps the Pool to diversify which promotes the spread of risk across a large number of members and various member types. Unlike most pools that insure only a single member type, Enduris insures many member types and touches each county of Washington State. This approach has proven to be successful for Enduris and promotes equity growth and long-term stability. In PY 2013, the membership grew from 477 (net) to 486 members, an increase of 9 new members.

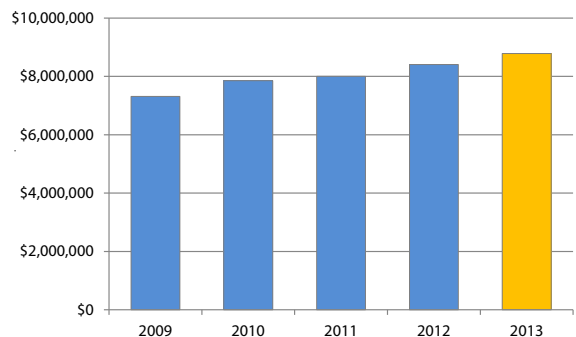


New Members in PY 2013:

- Benton County Weed District #1
- Greater Bar Water District
- Inchelium Water District
- Lincoln County FPD #9
- Royal City Transportation Benefit Council
- San Juan Island Library District
- Whatcom County FPD #17
- Whitman County FPD #13
- Wine Science Center Development Authority

Contribution Growth:

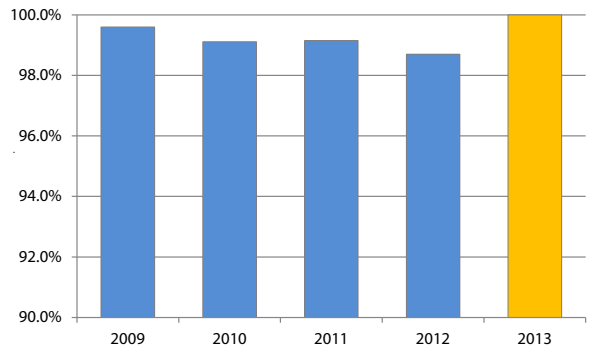
Growth in contributions helps to predict stability for the future. Pools have inherent costs that increase over time and contributions must, at a minimum, keep pace with those costs. The foundation of success for Enduris is that contributions over time have outpaced inherent growth costs, which has produced a growing surplus for the membership. In PY 2013, membership contributions grew 4.54% from \$8,403,104 to \$8,784,727.





Member Retention:

For PY 2013, no members left the Pool, resulting in an unusual retention rate of 100%. This is a great achievement especially in the midst of a long and sustained soft market. We attribute this success to being membership driven, keeping rates low and predictable, and offering a myriad of value added benefits.



ACCOMPLISHMENTS



- After a rigorous review of compliance with the Association of Governmental Risk Pools' (AGRiP) Advisory Standards, Enduris continues to be granted national recognition since 2000 by AGRiP.
- For the seventh consecutive year, Enduris has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) in response to our Comprehensive Annual Financial Report (CAFR).
- The Washington State Auditor's Office performs annual audits of Enduris' financial records and compliance with state laws, regulations, and Enduris' own policies and procedures. Last year's audit for PY 2012 revealed no findings or recommendations.
- Washington State's risk pools are regulated by the State Risk Manager's Office. They perform an annual Review of Regulatory Compliance. The results of the PY 2012 audit results state, "Enduris Washington meets standards adopted by the State Risk Manager in the areas tested." There were no finding or recommendations.
- Enduris conducts an independent claims audit as directed by WAC 200-100-050. The PY 2013 claims audit was performed by Aon Risk Services. The audit conclusion reached is that from a claims handling standpoint, Enduris remains a well-managed government entity risk pooling entity.



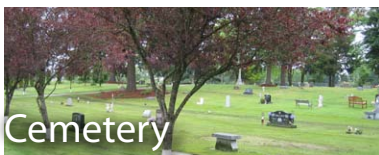
Aging and Mental Health

Aging & Adult Care of Central Washington
 Aging & Long Term Care of Eastern WA
 Greater Columbia Behavioral Health
 Lewis-Mason-Thurston AAA
 N Central WA Regional Support Network
 North Sound Regional Support Network
 Olympic Area Agency on Aging
 Peninsula Regional Support Network
 SW WA Council of Govts on Aging
 Timberlands Regional Support Network



Clean Air

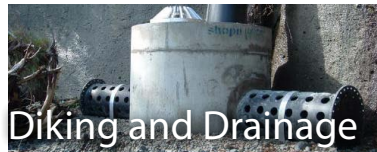
Benton Clean Air Agency
 Northwest Clean Air Agency
 Olympic Region Clean Air Agency
 Puget Sound Clean Air Agency
 Southwest Clean Air Agency
 Spokane Regional Clean Air Agency
 Yakima Regional Clean Air Agency



Cemetery

Chelan County Cemetery District #4
 Clark County Cemetery District #4
 Clark County Cemetery District #6
 Colfax Cemetery District #6
 Cowlitz County Cemetery District #2
 Cowlitz County Cemetery District #3
 Cowlitz County Cemetery District #6

Garfield Cemetery District #2
 King County Cemetery District #1
 Lewis County Cemetery District #1
 Pend Oreille Cemetery District #1
 San Juan County Cemetery District #3
 Skagit County Cemetery District #1
 Skamania County Cemetery District #1
 Thurston County Cemetery District #2
 Whatcom County Cemetery District #6
 Whatcom County Cemetery District #10



Diking and Drainage

Bertrand Watershed Improvement District
 Clark County Diking District #14
 Island County Diking District #1
 King County Drainage District #1
 King County Drainage District #7
 Lewis County Flood District #1
 Marshland Flood Control District
 North Lynden Watershed Improvement Dist
 Pacific County Drainage District #1
 Port Ludlow Drainage District
 Silver Lake Flood Control District
 Skagit Co Consolidated Diking Dist #22
 Skagit Co Drainage/Irrigation Dist #15
 Skagit County Dike District #17
 Skagit County Drainage District #19
 Snohomish Co Drainage & Imp Dist #13
 Snohomish County Diking District #1
 Stillaguamish Flood Control District
 Thurston Co Chambers Ditch District #3
 Walla Walla Watershed Mgmt Partnership
 Whatcom Co Flood Control Zone District
 Yakima Co Drainage Improvement Dist #11
 Yakima Co Drainage Improvement Dist #28



Conservation

Adams Conservation District
 Asotin County Conservation District
 Benton Conservation District
 Cascadia Conservation District
 Central Klickitat Conservation District
 Clallam Conservation District
 Clark Conservation District
 Columbia Conservation District
 Cowlitz Conservation District
 Eastern Klickitat Conservation District
 Ferry Conservation District
 Foster Creek Conservation District
 Franklin Conservation District
 Grant County Conservation District
 Grays Harbor Conservation District
 Jefferson County Conservation District
 King Conservation District
 Kitsap Conservation District
 Kittitas County Conservation District
 Lewis County Conservation District
 Lincoln County Conservation District
 Mason Conservation District
 Moses Lake Conservation District
 North Yakima Conservation District
 Okanogan Conservation District
 Pacific Conservation District
 Palouse Conservation District
 Palouse-Rock Lake Conservation District
 Pend Oreille Conservation District
 Pierce Conservation District
 Pine Creek Conservation District
 Pomeroy Conservation District
 San Juan Islands Conservation District
 Skagit Conservation District

Snohomish Conservation District
 South Douglas Conservation District
 South Yakima Conservation District
 Spokane Conservation District
 Stevens County Conservation District
 Thurston Conservation District
 Underwood Conservation District
 Wahkiakum County Conservation District
 Walla Walla County Conservation
 Warden Conservation District
 Whatcom Conservation District
 Whidbey Island Conservation District
 Whitman Conservation District



Adams County FPD #6
 Asotin County FPD #1
 Benton County FPD #1
 Benton County FPD #2
 Benton County FPD #4
 Benton County FPD #5
 Benton County FPD #6
 Chelan County FPD #6
 Chelan County FPD #8
 Chelan County FPD #9
 Chelan County FPD #10
 Clallam County FPD #1
 Clallam County FPD #4
 Clallam County FPD #5
 Clark County FPD #3
 Clark County FPD #13
 Cowlitz County FPD #1
 Cowlitz County FPD #6
 Cowlitz-Lewis County FPD #20
 Cowlitz-Skamania FPD #7

Darrington Fire District #24
 Douglas County FPD #3
 Douglas County FPD #4
 Douglas Okanogan County FPD #15
 Ferry Co #3/Stevens Co #8 Joint FPD
 Ferry County EMS District #1
 Franklin County FPD #3
 Grant County FPD #7
 Grant County FPD #8
 Grant County FPD #10
 Grant County FPD #11
 Grant County FPD #12
 Grays Harbor County FPD #10
 Grays Harbor County FPD #12
 Grays Harbor County FPD #17
 Grays Harbor/Pacific County FPD #15
 King County FPD #45
 Kittitas County FPD #7
 Klickitat County FPD #1
 Klickitat County FPD #3
 Klickitat County FPD #4
 Klickitat County FPD #11
 Klickitat County FPD #13
 Klickitat County FPD #14
 Lake Stevens Fire
 Lewis County FPD #2
 Lewis County FPD #5
 Lewis County FPD #8
 Lewis County FPD #13
 Lincoln County FPD #6
 Lincoln County FPD #9
 Lincoln-Adams County FPD #3
 Mason County FPD #1
 Mason County FPD #6
 Mason County FPD #11
 North Country EMS
 Okanogan County FPD #2
 Okanogan County FPD #7

Okanogan County FPD #8
 Okanogan County FPD #10
 Okanogan County FPD #11
 Okanogan County FPD #12
 Okanogan County Rural FPD #6
 Pacific County FPD #1
 Pacific County FPD #2
 Pacific County FPD #4
 Pacific County FPD #6
 Pend Oreille County FPD #2
 Pend Oreille County FPD #4
 Pend Oreille County FPD #6
 Pend Oreille County FPD #8
 Pierce County FPD #18
 Pierce County FPD #27
 San Juan County FPD #4
 Skagit County FPD #4
 Skagit County FPD #5
 Skagit County FPD #6
 Skagit County FPD #7
 Skagit County FPD #9
 Skagit County FPD #12
 Skagit County FPD #13
 Skagit County FPD #14
 Skagit County FPD #15
 Skagit County FPD #16
 Skagit County FPD #17
 Skamania County FPD #5
 Skamania County FPD #6
 Snohomish County FPD #25
 South Bay Fire Department
 South King Fire & Rescue
 South Pend Oreille Fire & Rescue
 South Whidbey Fire/EMS
 Spokane County FPD #2
 Spokane County FPD #3
 Spokane County FPD #5
 Spokane County FPD #10

Spokane County FPD #12
 Spokane County FPD #13
 Stevens County FPD #1
 Stevens County FPD #2
 Stevens County FPD #5
 Stevens County FPD #9
 Stevens County FPD #11
 Thurston County FPD #5
 Thurston County FPD #9
 Tonasket EMS District
 Vashon Island Fire & Rescue
 Wahkiakum County FPD #2
 Whatcom County FPD #11
 Whatcom County FPD #17
 Whitman County FPD #5
 Whitman County FPD #7
 Whitman County FPD #10
 Whitman County FPD #12
 Whitman County FPD #13
 Whitman County FPD #14
 Yakima County FPD #7
 Yakima County FPD #9
 Yakima County FPD #14



Health

Asotin County Health District
 Benton Franklin Health District
 Chelan-Douglas Health District
 Grant County Health District
 Kitsap Public Health District
 Northeast Tri County Health District
 Okanogan County Public Health
 Snohomish Health District
 Spokane Regional Health District
 Yakima County Health District



Library

Asotin County Library
 Columbia County Rural Library District
 King County Law Library
 La Conner Regional Library
 Lopez Island Library District
 North Olympic Library System
 San Juan Island Library District
 Stevens County Rural Library District
 Upper Skagit Library District
 Walla Walla Co Rural Library District
 Whitman County Rural Library District



Irrigation and Reclamation

Agnew Irrigation District
 Ahtanum Irrigation District
 Alta Vista Irrigation District
 Badger Mountain Irrigation District
 Benton Irrigation District
 Brewster Flat Irrigation District
 Bridgeport Irrigation District #1
 Carnhope Irrigation District #7
 Cascade Irrigation District
 Chelan Falls Irrigation District
 Chelan River Irrigation District
 Cline Irrigation District
 Columbia Irrigation District
 Dungeness Irrigation District
 Eastside/Westside Irrigation District
 Entiat Irrigation District
 Greater Wenatchee Irrigation District
 Helensdale Irrigation District

Highland Irrigation District
 Hutchinson Irrigation District #16
 Icicle Irrigation District
 Isenhart Irrigation District
 Kiona Irrigation District
 Lake Chelan Reclamation District
 Methow Valley Irrigation District
 Methow-Okanogan Reclamation District
 Model Irrigation District #18
 Okanogan Irrigation District
 Oroville Tonasket Irrigation District
 Peshastin Irrigation District
 Selah and Moxee Irrigation District
 Terrace Heights Irrigation District
 Union Gap Irrigation District
 Wells Ranch Irrigation District
 Wenas Irrigation District
 Wenatchee Heights Reclamation District
 Wenatchee Reclamation District
 Wenatchee-Chiawawa Irrigation District
 Whitestone Reclamation District
 Wolf Creek Reclamation District
 Yakima Reservation Irrigation District
 Zillah Irrigation District



Miscellaneous

Benton-Franklin Council of Governments
 Franklin County Emergency Management
 Grant County Hospital District #7
 Island Co Emergency Services Comm Ctr
 King County Ferry District
 Kittcom
 Lower Columbia Fish Recovery Board
 Pend Oreille County Hospital District #2
 Public Hospital Dist #2 Snohomish County

Royal City Transportation Benefit Dist
Spokane Regional Transportation Council
Wenatchee Valley Transportation Council
Whatcom Council of Governments



Mosquito Control

Adams County Mosquito Control District
Benton County Mosquito Control Dist #1
Camano Island Mosquito Control Dist #1
Clark County Mosquito Control District
Columbia Mosquito Control District
Cowlitz County Mosquito Control District
Franklin County Mosquito Control
Grant County Mosquito Control Dist #1
Grant County Mosquito Control Dist #2
Leavenworth Mosquito Control District
Skamania County Mosquito Control Dist
Touchet-Lowden Mosquito Control District
Yakima County Mosquito Control Dist #1



Parks and Recreation

Adams County Park & Rec Board #2
Adams County Park & Recreation Dist #4
Adams County Park District #1
Adams County Parks & Recreation Dist #3
Anderson Island Park & Recreation Dist
Bainbridge Island Metro Park & Rec Dist
Central Klickitat County Park & Rec
Clallam County Park & Recreation Dist #1
Coulee Area Parks and Recreation Dist
East County Park & Recreation District
Eastmont Metropolitan Park District

Fall City Metropolitan Park District
Fidalgo Pool & Fitness Center District
Key Peninsula Metropolitan Park District
Lincoln Co Park & Recreation District #2
Lincoln Co Park & Recreation District #3
Manson Park & Recreation District
Naches Park & Recreation District
North Whidbey Park & Recreation District
Northwest Park & Recreation District #2
Oakesdale Park & Recreation District #4
Orcas Island Park & Recreation District
Peninsula Metropolitan Park District
Quillayute Valley Park & Recreation Dist
San Juan Island Park & Recreation Dist
South Whidbey Park & Recreation District
Tekoa Park & Recreation District #6
Upper Valley Park & Rec Service Area
Vashon-Maury Island P&R District
Village Green Metropolitan Park District



Public Development

4Culture
East Lewis County PDA
Fort Worden Public Development Auth
Foss Waterway Development Authority
Odessa Public Development Authority
Republic Public Development Authority
Wine Science Center Development Auth



Port

Grant County Port District #4
Grant County Port District #5

Grant County Port District #6
Grant County Port District #7
Grays Harbor Historical Seaport Auth
Klickitat County Port District
Pangborn Memorial Airport
Port District of South Whidbey Island
Port of Allyn
Port of Brownsville
Port of Camas-Washougal
Port of Centralia
Port of Chehalis
Port of Chelan County
Port of Chinook
Port of Clarkston
Port of Columbia
Port of Coupeville
Port of Dewatto
Port of Douglas County
Port of Edmonds
Port of Eglon
Port of Ephrata
Port of Friday Harbor
Port of Garfield
Port of Grandview
Port of Grapeview
Port of Grays Harbor
Port of Hoodspport
Port of Illahee
Port of Ilwaco
Port of Indianola
Port of Kingston
Port of Lopez
Port of Manchester
Port of Mattawa
Port of Olympia
Port of Orcas
Port of Othello
Port of Pend Oreille

Port of Peninsula
 Port of Port Townsend
 Port of Poulsbo
 Port of Ridgefield
 Port of Royal Slope
 Port of Shelton
 Port of Silverdale
 Port of Skagit County
 Port of Skamania County
 Port of Tracyton
 Port of Waterman
 Port of Whitman County
 Port of Willapa Harbor
 Port of Woodland
 Wahkiakum County Port District #1
 Wahkiakum County Port District #2
 Warden Port District #8



Capital Area Regional PFD
 City of Kent Special Events Ctr PFD Clark
 County Public Facilities District
 Cowlitz County Public Facilities District
 Edmonds Public Facilities District
 Everett Public Facilities District
 Grays Harbor Co Public Facilities District
 Greater Wenatchee Regional Events PFD
 Kitsap Public Facilities District
 Lewis County Public Facilities District
 Lynnwood Public Facilities District
 Richland Public Facilities District
 Skagit County Regional PFD
 Snohomish County Public Facilities Dist
 Spokane Public Facilities District



Admiral's Cove Water District
 Ashford Water District
 Bayview Beach Water District
 Blalock Orchards Water District #12
 Cascade Valley Water District
 Chelan Falls Water District
 Chinook Water District
 Clear Lake Water District
 Crockett Lake Water District
 Crystal Mountain Sewer District
 Diamond Lake Water & Sewer District
 East Wenatchee Water District
 Four Lakes Water District
 Freeland Water District
 Grays Harbor County Water District #1
 Greater Bar Water District
 Hangman Hills Water District #15
 Highland Water District
 Highline Water District
 Hydro Irrigation District #9
 Inchelium Water District
 Kapowsin Water District
 King County Water District #111
 Kittitas County Water District #4
 Kittitas County Water District #6
 Lagoon Point Water District
 Lake Chelan Sewer District
 Lake Stevens Sewer District
 Lewis County Water Sewer District #6
 Liberty Lake Sewer and Water District
 Loon Lake Sewer District #4
 Manchester Water District
 McKenna Water District
 Midway Sewer District

Mukilteo Water & Wastewater District
 North Beach Water District
 Penn Cove Water & Sewer District
 Sacheen Lake Sewer & Water District
 Samish Water District
 Scatchet Head Water District
 Seaview Sewer District
 Shoreline Water District
 Silverdale Water District #16
 Soos Creek Water & Sewer District
 Southwest Suburban Sewer District
 Stevens Pass Sewer District
 Strathview Water District #16
 SunLand Water District
 Swantown Water District
 Tri-City Estates Water District #45
 Valley View Sewer District
 Vel View Water District #13
 Vera Water and Power
 Whatcom County Water District #13
 Willapa Valley Water District



Adams County Noxious Weed Board
 Adams County Weed District #1
 Benton County Weed District #1
 Intercounty Weed District #51
 Intercounty Weed District #52
 Kittitas County Weed District #5
 Lincoln County Noxious Weed Ctrl Board
 Spokane County Noxious Weed Board
 Weed District #1 of Grant County
 Weed District #3 of Grant County



**Top
Row**

Shellie Klink
Marketing
Coordinator

Mark Antonietti
Claims
Analyst

Mark A. Kammers
Chief Executive
Officer

Alric Balka
Information Systems
Coordinator

Suzanne Heath
Financial Services
Coordinator

**Middle
Row**

Sue M. Cronk
Administrative
Assistant

Sindy Joseph
Administrative
Assistant

Joanne Bisquera
Membership Services
Coordinator

Sheryl Brandt
Chief Risk
Officer

**Bottom
Row**

Joy Jelsing
Administrative
Assistant

Lynn Scharff
Director
of Finance

Rafaela Ortiz
Chief Operating
Officer

Kathy Johns
Administrative
Assistant

Kim Lewis
Receptionist

Thank You!

Enduris wishes to express its sincere appreciation for the inspiring photos provided by the members for use in this report.



Member Photos Provided by:

Adams County Noxious Weed Board
Aging and Long Term Care of Eastern WA
Asotin County Fire Protection District #1
Cascade Irrigation District
Foss Waterway Development Authority
Franklin County Mosquito Control
Kitittas County Conservation District
Kitsap Public Health District
Midway Sewer District

North Olympic Library System
Peninsula Metropolitan Park District
Port Ludlow Drainage District
Port of Skagit County
Spokane Public Facilities District
Spokane Regional Clean Air Agency
Spokane Regional Health District
Thurston County Cemetery District #2

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