



enduris™
Annual Membership Report



2019

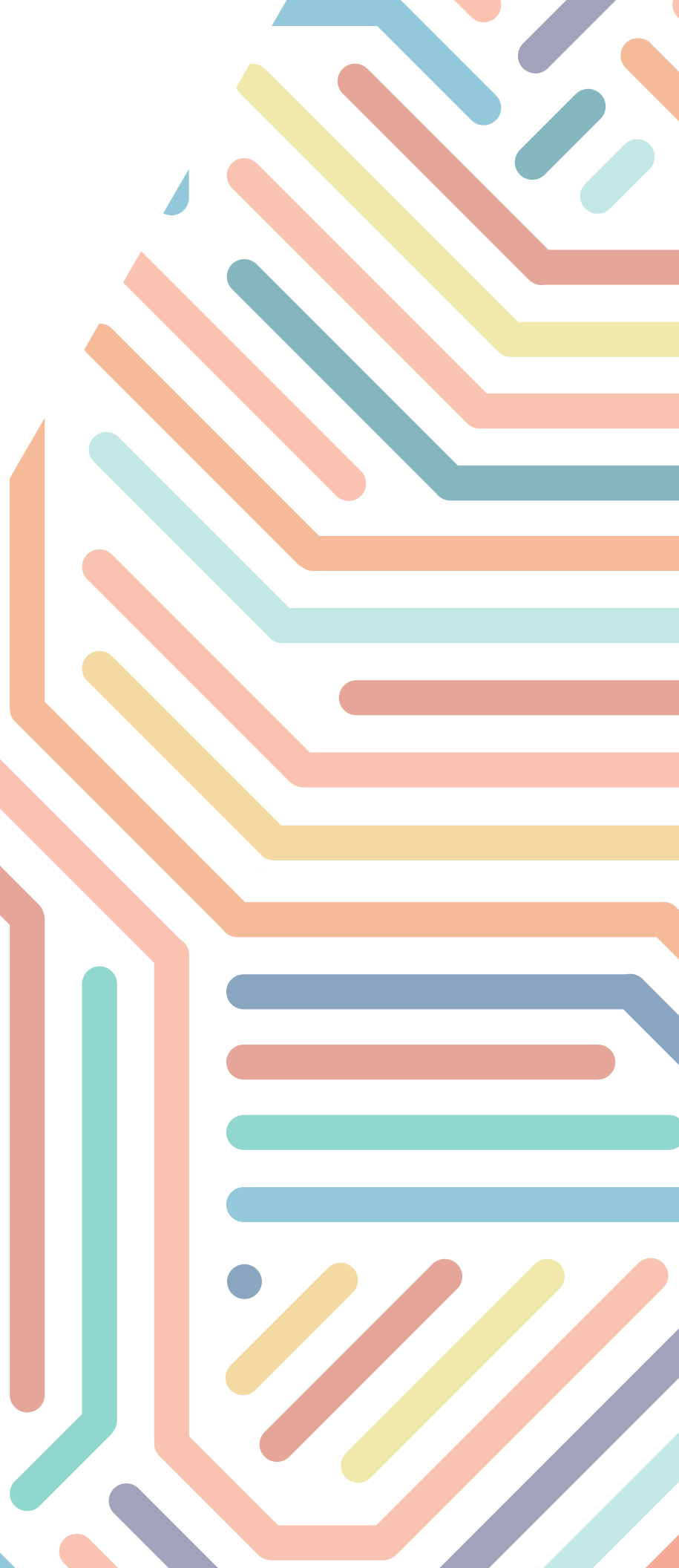




Table of Contents

- 5** Message to the Members
- 6** About
- 7** Mission, Values, Purpose
- 9** Highlights
- 10** Board of Directors
- 11** Goal
- 12** Membership Diversity
- 13** Coverage Summary
- 14** Risk Services Summary
- 15** Financial Statement Analysis
- 18** Staff



A Year of Positive Change.

Message to the Members

As we reflect on Policy Year 2019 (September 1, 2018 - August 31, 2019), Enduris experienced a number of changes and transitions moving us in a positive direction with the hiring of new leadership, addition of staff, member portal, financial improvements, and strategic planning.

In December of 2018, the Board of Directors appointed Sheryl Brandt as the Executive Director of Enduris. Sheryl has been at Enduris since 2003 as the Director of Claims and Chief Risk Officer. The succession planning and preparation paid off as the change in leadership went smoothly. The expert staff members of Enduris worked as a team and facilitated a seamless transition.

In addition to the new Executive Director, the pool grew with new staff. The Enduris administration added two employees in finance and claims, and a new legal expert to focus on employment issues. Each new person has added a new depth and dimension to our current amazing staff.

Enduris members saw changes at renewal time when we opened the Member Portal. The Portal is part of the continued improvements to our risk management information system. It allows members to make changes to their schedules and have access to valuable information such as the Risk Management Handbook, financial documents, and coverage documents.

The net position of the risk pool moved in a positive direction increasing \$3.1 million. This was due to a positive claim adjustment by the actuaries due to lower than expected claim experience and development, and organic growth within the membership increasing values to replacement cost on buildings and large vehicles. The positive movement will help make up for the decrease in net position in 2016 and 2017.

There is evidence the insurance market is changing from a “soft” market to a “hard” market. Enduris self-insures up to \$1 million in liability and \$250,000 in property, and purchases reinsurance and excess insurance to reach the \$20 million in liability limits and \$1 billion in property limits. The overall insurance markets have experienced record losses; therefore, we expect reinsurance and excess coverage to have significant increases next year. The member-run Board of Directors is strategically planning for these challenges and is committed to accomplishing the mission of Enduris, which is to provide financial protection, broad coverage, and risk management services responsive to members’ needs.

Thank you for your continued participation in Enduris.



Jeri Sevier, Board Chair



Sheryl Brandt, Executive Director

About

Enduris is the risk pool of choice for special purpose districts in Washington State. We are government risk experts that have a passion for serving members in the same manner in which members serve their communities. Enduris provides the membership with liability and property coverage along with risk management solutions that are comprehensive and uncomplicated. Almost 550 special purpose districts combine their resources to share risk and reduce the overall cost of insurance. By blending the risk exposures of the diverse membership and combining the membership total insured values, Enduris uses its collective purchasing power to secure reinsurance from the commercial market and pass the savings along to individual members. Enduris provides risk management services to members in a variety of ways—claims management, loss control services, training, and risk consultations. We are proud to provide stability in the midst of uncertainty, allowing members to focus on serving their communities. ***We are reliability in a risky world.***



Mission, Values, Purpose.

Mission

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

Values

We enjoy opportunities to address our members' needs.

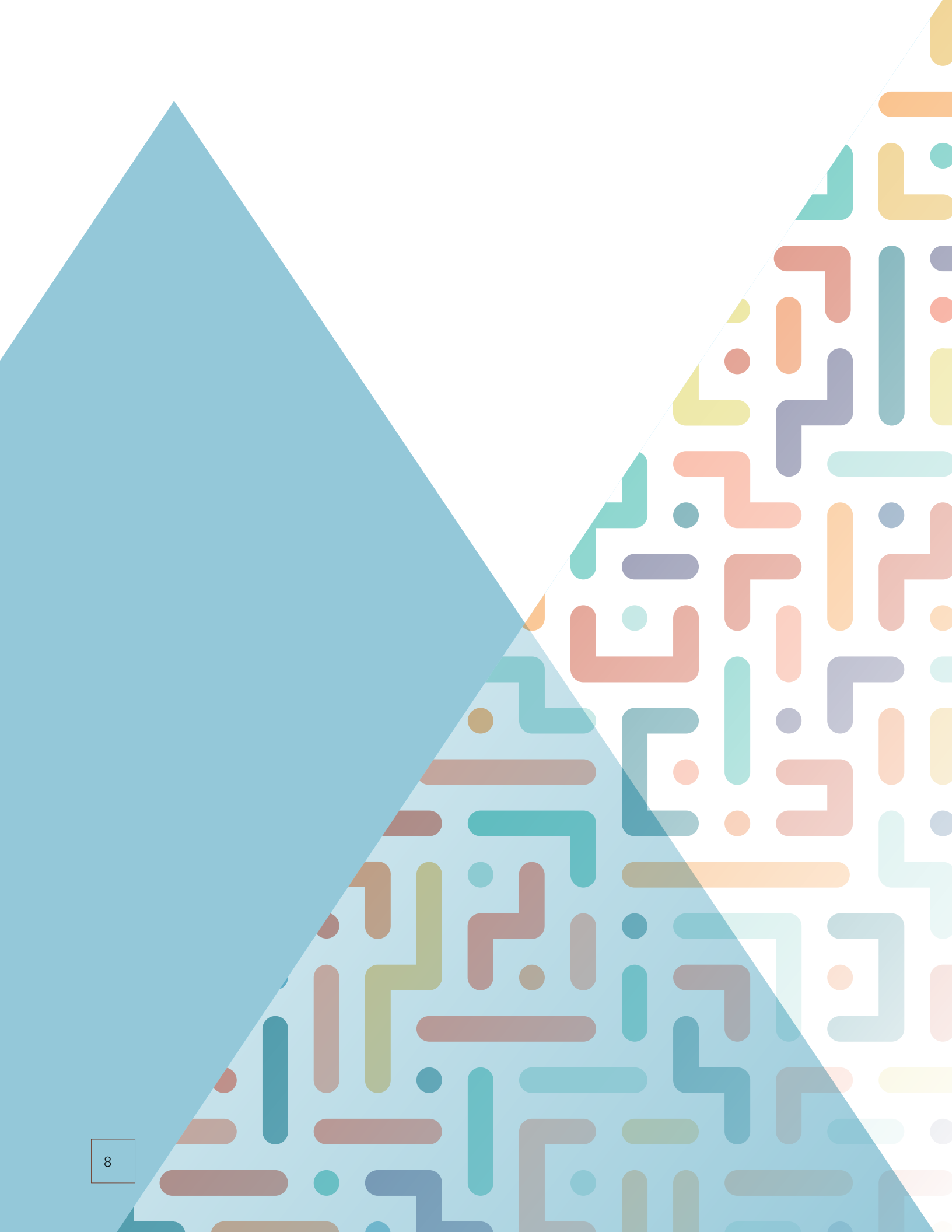
We have a genuine appreciation for the services public entities provide to our communities.

We deliver professional quality results.

We take ownership in knowing the success of Enduris depends on our respect for one another.

Purpose

To provide reliability in a risky world.



Highlights

Enduris' net position improved by \$3.1 million to a total of \$13.3 million.

Enduris' strong net position helps assure the long-term financial protection and stability of the Pool.

The Pool had 267 claims and managed 87 pre-defense incidents.

Members took advantage of risk management trainings 716 times throughout the year.

In-house legal counsel actively responds to members' employment liability inquiries.

Enduris continues to meet the solvency standards established by Washington Administrative Code (WAC) 200-100-03001.

Board of Directors



Jeri Sevier
Chair
Port of Olympia



Kim Bedier
Director
Everett PFD



Patsy Martin
Vice-Chair
Port of Skagit



Noel Hardin
Director
Asotin County
FPD #1



Vicki Carter
Secretary/Treasurer
Spokane Conservation
District



Matt Schanz
Director
Northeast Tri County
Health District



BiJay Adams
Director
Liberty Lake Sewer
& Water District



Sheryl Brandt
Executive Director
Ex Officio

Goal

The Enduris Board of Directors represents, leads, and serves the organization's members. They govern the organization by establishing expectations for organizational results, expectations for quality operational performance and monitoring actual performance against those expectations. With this in mind the Enduris Board of Directors has set the following **goal** to measure organizational success.

Members have long-term protection from property and liability loss through the long-term viability and financial stability of Enduris.

Membership Diversity

Enduris is comprised of **547 members** of more than 17 special purpose district types and are located in all 39 counties of Washington State. Membership diversity is a key element to the long term success of Enduris. Diversity in entity types along with geographic locations ensures the membership contains varying qualities of exposure that keeps risk spread across different entities and sites. Membership variety equates to risk exposure and losses being spread across numerous areas, ensuring the negative effects of exposures are minimized for individual members.

Members by Entity Type

Aging/Mental Health Districts.....	6	Mosquito Control Districts.....	13
Cemetery Districts.....	20	Park & Recreation Districts.....	33
Clean Air Agencies.....	7	Port Districts.....	59
Conservation Districts.....	45	Public Development Authorities.....	8
Dike and Drainage Districts.....	38	Public Facilities Districts.....	15
Fire Protection Districts.....	140	Public Health Districts.....	14
Irrigation/Reclamation Districts.....	42	Water & Sewer Districts.....	64
Library Districts.....	14	Weed Districts.....	11
Miscellaneous Districts.....	18		

547 MEMBERS

Coverage Summary

Enduris Washington provides both liability and property coverage for the membership. We also assist members with securing specialty coverage outside of Enduris' Memorandum of Coverage (MOC). The Enduris liability MOC is an occurrence form. The majority of coverage limits and sub-limits are per member and not shared among the membership.

Liability

The liability program offers coverage based on members' specialized needs. Liability coverage includes: General Liability, Auto Liability, Employment Practices Liability, and Public Officials Errors and Omissions. Limits of \$20 million are per member and per occurrence. A majority of members maintain a \$1,000 liability deductible, while the remaining choose higher deductibles to meet their needs. The Self-Insured Retention (SIR) for Enduris liability losses is \$1 million. Losses over the SIR are covered by reinsurance carriers.

Property

Enduris provides property coverage through the Alliant Property Insurance Program (APIP). Enduris provides a broad and specialized property form for members that is backed by the largest public entity property program in the world. The policy includes Earthquake, Flood, Boiler and Machinery, Crime, Cyber Coverage, and Auto Physical Damage (APD). Members generally have a \$1,000 deductible for basic property and content loss, and a \$250 deductible for APD, while some members choose higher deductibles. The property SIR for Enduris is \$250,000.

Specialty

Enduris understands that members have additional exposures and may need specialty coverages.

Enduris provides limited Identity Fraud Expense Reimbursement and Identity Fraud Resolution Services as a valued added benefit for members.

Most Enduris members also receive Cyber Coverage. Enduris assists members in need of specialty policies such as Airport Liability, Marina Operators Legal Liability, Pollution Liability, and Railroad Liability to name a few. In PY 2019, 168 policies were secured on behalf of members. Fire districts also receive \$25,000 on-duty Accident and Health coverage.



Risk Services Summary

Enduris offers an array of risk management services designed to assist members with their unique exposures. Whether through consultation with Enduris staff, legal experts or robust member education program, our primary goal is to prevent losses before they occur.

E-Training Modules

There are over 125 courses available in an online format through Local Gov U. Members utilized this training tool 620 times in PY2019.

Pre-Defense

This program is designed to assist members with legal advice before a claim or lawsuit is filed. In PY 2019 there were 87 member incidents.

Training Seminars

Enduris offers members in-person trainings. During PY 2019, 96 risk management seminars were available across the state on a variety of timely and relevant topics.

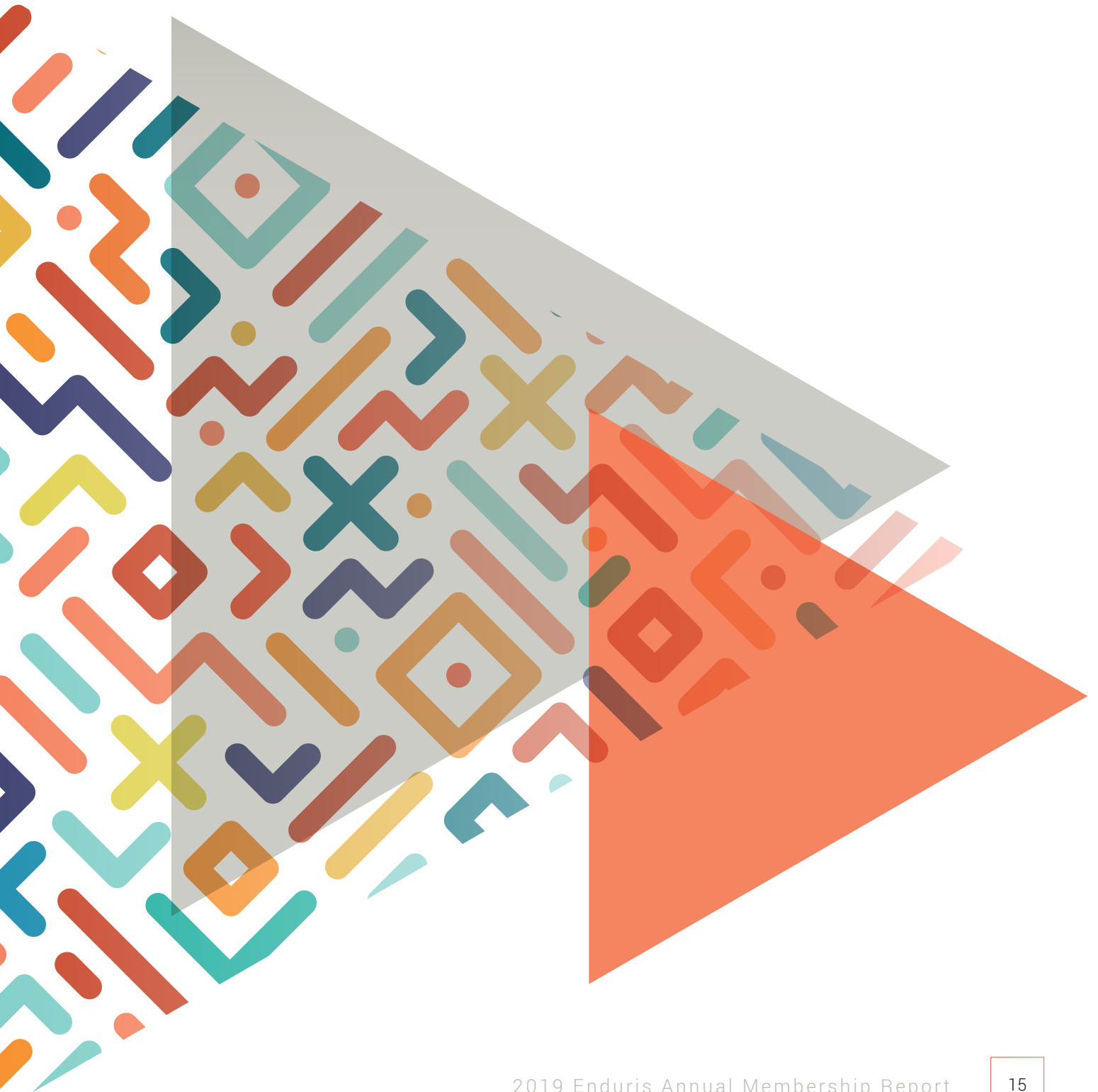
Risk Management Inquiries

In PY 2019 Enduris staff members responded to 368 inquiries on a variety of loss prevention topics, including contract review.

MRSC Inquiries

Enduris members have unlimited access to MRSC legal experts and took advantage of this benefit 440 times throughout PY2019.

Financial Statement Analysis



Statement of Net Position

August 31, 2019 and 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and Cash Equivalents	\$ 21,771,141	\$ 17,988,711
Receivables:		
Member Contributions	8,701	-
Accrued Claim Recoveries	920,572	1,108,816
Prepaid Excess/Reinsurance	3,032,191	2,404,317
Other Current Assets	145,298	107,259
Total Current Assets	\$ 25,877,903	\$ 21,609,103
Non-Current Assets		
Non-depreciable Capital Assets	1,408,807	1,408,807
Capital Assets (Net of Accumulated Depreciation)	3,909,164	3,970,556
Investment in GEM	975,708	975,708
Total Non-Current Assets	6,293,679	\$ 6,355,071
TOTAL ASSETS	\$ 32,171,582	\$ 27,964,174
TOTAL DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflow Related to Pensions	\$ 152,994	\$ 77,945
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 32,324,576	\$ 28,042,119
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts Payable	\$ 72,846	\$ 97,101
Accrued Liabilities	49,430	64,336
Compensated Absences	62,175	174,657
Unearned Member Contributions	5,652,285	4,139,447
Claim Reserves	4,904,396	4,945,000
Other Current Liabilities	24,432	42,099
Total Current Liabilities	\$ 10,765,564	\$ 9,462,640
Non-Current Liabilities		
Compensated Absences	\$ 37,843	\$ 47,094
Claim Reserves	7,228,261	7,420,552
Net Pension Liability	585,870	667,156
Lease Obligations	9,761	
Total Non-Current Liabilities	\$ 7,861,735	\$ 8,134,802
TOTAL LIABILITIES	\$ 18,627,299	\$ 17,597,442
DEFERRED INFLOW OF RESOURCES		
Deferred Inflow related to Pensions	\$ 381,883	\$ 312,609
NET POSITION		
Investment in Capital Assets	\$ 5,317,971	\$ 5,379,363
Unrestricted Net Position	7,997,423	4,752,705
TOTAL NET POSITION	\$ 13,315,394	\$ 10,132,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 32,324,576	\$ 28,042,119

The condensed financial statements shown are derived from the Enduris state-audited financial statements for 2019. A copy of the audited financial statements with notes and other required disclosures can be found on the Enduris website.

Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Years Ended August 31, 2019 and 2018

	2019	2018
OPERATING REVENUES:		
Member Contributions	\$ 15,170,040	\$ 13,150,970
Other	7,800	10,850
TOTAL OPERATING REVENUES	\$ 15,177,840	\$ 13,161,820
OPERATING EXPENSES:		
Claim Expenses:		
Claims Paid, net of recoveries	\$ 5,416,978	\$ 5,470,919
Change in Liabilities for Unpaid Claims	(144,536)	695,624
Change in Unallocated Loss Adjustment Expense	(88,359)	134,269
Total Claim Expenses	\$ 5,184,083	\$ 6,300,812
Excess/Reinsurance Cost	3,981,211	3,555,514
Contracted Services	461,633	489,505
General and Administrative Expense	2,724,410	2,761,664
Depreciation	74,544	77,561
TOTAL OPERATING EXPENSES	\$ 12,425,881	\$ 13,185,056
OPERATING INCOME	\$ 2,751,959	\$ (23,236)
NON-OPERATING REVENUE (EXPENSE):		
Interest and Investment Income	\$ 431,367	\$ 230,520
Change in Equity in GEM	-	975,708
TOTAL NON-OPERATING REVENUES AND EXPENSES	\$ 431,367	1,206,228
CHANGE IN NET POSITION	\$ 3,183,326	\$ 1,182,992
NET POSITION, beginning of year September 1	10,132,068	8,949,076
NET POSITION, end of year August 31	\$ 13,315,394	\$ 10,132,068

The condensed financial statements shown are derived from the Enduris state-audited financial statements for 2019. A copy of the audited financial statements with notes and other required disclosures can be found on the Enduris website.

Staff

Administration



Sheryl Brandt
Executive Director



Rafaela Ortiz, Ph.D.
Chief Operating Officer



Alric Balka
Information Systems Coordinator



Joy Jelsing
Administrative Associate

Member Relations & Risk Management



Joe Davis
Director of Risk Management
and Member Relations



Shellie Klink
Member Relations Coordinator



Sindy Joseph
Member Relations Associate

Claims



Susan Looker
Director of Claims



Kelly Allen
Legal Counsel



Lisa McMeekin
Claims Analyst



Carrie M. Miller
Claims Analyst



Kathy Johns
Claims Associate



Kim Lewis
Claims Associate

Finance




Kimberly Millikan
Director of Finance



Matt Krull
Financial Analyst



Richard Urie
General Accountant



Questions concerning the information provided
in this report or requests for additional
information should be addressed to:

Enduris

Sheryl Brandt, Executive Director
1610 S. Technology Blvd., Ste. 100, Spokane, WA 99224
509-838-0910 | 800-462-8418