



WASHINGTON SCHOOLS RISK MANAGEMENT POOL
for **PARTICIPATING MEMBERS OF THE RISK POOL**
NOTES TO FINANCIAL STATEMENTS

NOTE X – RISK MANAGEMENT

The district is a member of the Washington Schools Risk Management Pool (WSRMP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. WSRMP was formed in 1986 when educational service districts and school districts in the state of Washington joined by signing the Cooperative Risk Management Pool Account Agreement (Account Agreement) to pool their self-insured losses and jointly purchase insurance and administrative services. Over 90 school and educational service districts have joined WSRMP.

WSRMP allows members to jointly purchase insurance coverage, establish a plan of self-insurance, and provide related services, such as risk management. WSRMP provides the following coverages for its members: property, liability, vehicle, school board liability, crime, employment practices, errors and omissions, equipment breakdown, cyber security, terrorism, and stop gap liability.

Members make an annual contribution to fund WSRMP. WSRMP purchases reinsurance and excess insurance from unrelated carriers subject to a per-occurrence self-insured retention of \$1 million risk shared by WSRMP. Reinsurance or Excess carriers cover losses over \$1 million to the maximum limits of each policy. Members are responsible for varied deductibles for auto and property claims. Since WSRMP is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in WSRMP for a minimum of three years and must give notice three years before terminating participation. The Account Agreement is renewed automatically each year after the initial three-year period. Even after termination, a member is still responsible for their share of contributions to WSRMP for any unresolved, unreported, and in-process claims for the period in which they were a signatory to the Account Agreement.

WSRMP is fully funded by its member participants and is governed by a board of directors that consists of one designated representative from each participating member. An executive board is elected at the annual meeting and is responsible for overseeing the business affairs of WSRMP.

Conway School District

Total Insured Value for FY 2019-20	\$ 15,863,800
Fully accrued Contribution for FY 2019-20	<u>\$ 56,547</u>

Washington Schools Risk Management Pool

Purpose	To provide risk sharing and related services to member school districts.
Participants	79 school districts, 6 educational service districts, and 5 interlocal cooperatives.
Governing Board	16 member Executive Board.
FY 2019-20 Confidence Level	92.5%

Condensed Financial Information (Most recent financials available)

	<u>August 31, 2020</u> *
Total Assets	\$ 87,024,798
Total Liabilities	<u>62,425,627</u>
Ending Net Position	<u>\$ 24,599,171</u>
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Total Revenues	\$ 60,839,900
Total Expenses	57,558,797
OPERATING INCOME / (LOSS)	<u>\$ 3,281,102</u>
CHANGE IN NET POSITION	<u>\$ 3,281,102</u>

* Unaudited