



INVOICE

1610 S. Technology Blvd, Ste 100
Spokane, WA 99224
(509) 838-0910 or (800) 462-8418

Invoice Number:
R23-005-1

Invoice Date:
8/8/2022

Page:
1

Member ID: 005
Member: Snohomish Health District
3020 Rucker Ave Ste 306
Everett, WA 98201-3900

Due Date

9/1/2022

Description	Amount
Effective September 1, 2022 through August 31, 2023	
General Liability	229,723
Property	72,610
Crime	1,015
Please see the Binder for specific coverage details.	TOTAL \$303,348

Terms and Conditions:
Late fees will be levied on overdue accounts.

Payment should be made by check or money transfer:
Make check payable to: Enduris Washington

Send money transfer to:
Washington Trust Bank
Enduris Washington
ABA/Routing #: 125100089
Account Number: 1000799252
Reference: Invoice number

It remains our mission "**to provide financial protection, broad coverage, and risk management services responsive to our members' needs.**" We strive to bring you exceptional coverage for a competitive price while adding value to your organization.

If you have questions or need assistance, please contact MemberRelations@enduris.us or reach out to us at (800) 462-8418.

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Member: Snohomish Health District
3020 Rucker Ave Ste 306
Everett, WA 98201-3900

Member Contribution Overview

There are two main factors that impact the Pool's member contribution needs: **1)** the frequency and severity of member claims and **2)** the cost of reinsurance above the Pool's self-insured retentions.

Loss Severity: The Pool's actuary projects Member losses retained by the Pool to increase significantly, by 17%, to \$9.6 million in 2023, from \$8.2 million in 2022. Although the frequency, or number of claims reported each year is relatively stable, the severity of the claims has risen. Enduris' members experienced significant liability and property losses the past few years.

Reinsurance: Enduris has made it a priority to develop strong relationships in the reinsurance/excess insurance market; and we have focused on risk management to minimize loss potential. Enduris provides members with expansive liability limits, backed by financially stable reinsurers.

The reinsurance and excess insurance markets continue to respond to unfavorable global underwriting results. The market is experiencing its fifth straight year of what is called a "hard reinsurance market" as reinsurers attempt to re-calibrate rates to current market conditions. Many insureds have seen their cost of insurance double, or even triple as a result. The insurance market is showing signs of less volatility in certain areas – but not all.

Property: After continuous significant market rate increases, property market reinsurance rate increases are slowing down. Reinsurance carriers are keeping a watchful eye over the upcoming storm season, which has been the primary cause of the hardening marketplace. They are focused on underwriting and taking a close look at specific risks. Enduris members receive property coverage backed by the largest public entity placement in the world (APIP).

Cyber security is a challenging concern, and the cyber insurance market is responding by removing coverage, underwriting individual accounts, and substantially increasing rates. Pollution coverage is being more carefully underwritten as well. The Pool's Cyber and Pollution coverage are anticipated to renew with the same carriers.

The Pool's property reinsurance cost increased 15% for Policy Year 2023, compared to the 42% increase experienced in Policy Year 2022. Cyber rates increased by 40% and Pollution by 18%.

Liability: The liability insurance market continues to cautiously underwrite exposures due to increasing litigation trends and extremely costly social inflation claim settlements.

Enduris has a long-term partnership with Government Entities Mutual (GEM) which has in recent years provided the primary reinsurance layer of \$9 million. GEM has continued to strengthen its financial picture and liability rates appear stabilized with a 5%-7% increase expected. The excess market over \$10 million is more volatile and we anticipate an increase of 10%-15%.

Enduris expects our liability reinsurance rate to increase by approximately 10% for Policy Year 2023 compared to the 9% increase in Policy Year 2022.

Enduris Member Rates: The Pool experienced significant increases in member claims experience and reinsurance rates during the last five years. However, because of the size and diversity of Enduris, the Pool's members - through the value of pooling - can expect some insulation from the direct insurance market.

Member base rate increases for Policy Year 2023 are:

- Property: 10%-15%
- Liability: 5%-10%
- All other lines (auto physical damage, crime, and named position): 5-15%

Your District's individual coverage contributions may also be directly impacted by risk, loss experience and changes exposures compared to last year (property values, vehicles, or worker hours/emergency runs). We have applied the required annual inflation index (referred to as Marshall & Swift) of 7.5% in structures and 5% on contents, equipment and RCV vehicles to each members property and vehicle schedules for Policy Year 2023. These inflation factors help members trend property at current day value for replacement cost which is critical in the event of a loss.

Your General Liability contribution is based on reported L&I hours of 316,772 and may include other exposure or risk factor adjustments specific to your district.

Your Property contribution is based on reported TIV of \$21,579,373 and may include other risk factor adjustments. Due to an adverse claims history an experience adjustment has been applied to your Property coverage contribution.

Your Crime contribution is based on your Crime limit of \$250,000.

Invoices are due on the date of renewal, September 1, 2022. Please note, past due amounts will incur interest until the balance is paid in full since Enduris has already paid the reinsurance costs for the Pool.

Thank you for your continued membership and your service to the communities of Washington. We are looking forward to serving you this coming year.

Sincerely,

A handwritten signature in black ink that reads "Sheryl Brandt". The signature is fluid and cursive, with the first name "Sheryl" and last name "Brandt" clearly distinguishable.

Sheryl Brandt
Executive Director