



INVOICE

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

Member ID: 653
Renewal Policy: 2024-653-P-001
Member: Orcas Island Health Care District
 PO Box 226
 Eastsound, WA 98245-0226

Due Date
9/1/2023

Description	Amount
Effective September 1, 2023 through August 31, 2024 General Liability	3,180
Please see the Binder for specific coverage details.	TOTAL \$3,180

Terms and Conditions:
 Late fees of 4.5% 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 Contribution Overview

Our goal is to keep rates as low and stable as possible while incorporating the actuarial Capital Adequacy Assessment and other Board policies and goals. 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. Both of these factors have negatively impacted rates in the last few years and this year is no exception.

Loss Severity: The Pool's actuary projects Member losses retained by the Pool to increase significantly, by 11%, to \$10.3 million in 2024, from \$9.3 million in 2023. Both the frequency, or number of claims reported each year, and 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 sixth 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: Enduris members receive property coverage backed by the largest public entity placement in the world (APIP). With continuous significant market rate increases, property market reinsurance rate increases are not slowing down. Reinsurance carriers are focused on underwriting and taking a close look at specific risks. The Enduris property renewal was very challenging as some Enduris members experienced large property losses in the past 5 years. Enduris increased the Pool's self-insured retention from \$250k to \$500k in order to reduce our reinsurance premium this year and to help insulate members from reinsurance market premium fluctuations in the future.

Cyber security continues to be 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 will renew with the same carriers.

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 a PY2024 increase of 10%-15%. These increases are consistent with the PY2023 increases.

Enduris expects our liability reinsurance costs to increase by approximately 10% for Policy Year 2024 in line with PY2023.

Enduris Member Rates: The Pool experienced significant increases in member claims experience and reinsurance rates during the last few 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 2024 are:

- Property: 5%-10%
- Liability: 2%-5%
- All other lines (auto physical damage, crime, and named position): 2-10%

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% on structures, contents, equipment and RCV vehicles to each members property and vehicle schedules for Policy Year 2024. 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 2,407 and may include other exposure or risk factor adjustments specific to your district.

Invoices are due on the date of renewal, September 1, 2023. Please note, past due amounts will incur interest at 4.5% until the balance is paid in full. Any member with receivables more than 60 days past due is delinquent and any member more than 90 days past due can be terminated from the Pool. Contact Member Relations to discuss a payment plan if necessary.

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,



Sheryl Brandt
Executive Director