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July 21, 2026

Christopher Chord
Orcas Island Health Care District
PO Box 226
Eastsound, WA 98245-0226

Dear Christopher Chord,

We are grateful for your continued membership with Enduris and look forward to serving you in the upcoming Policy Year (PY 2027), beginning September 1, 2026.

Your renewal documents are attached: the Binder (Summary of Coverage), the Renewal Invoice, and, if applicable, your district's Schedules, Vehicle ID Cards, and Evidence of Coverage (EOCs). Enduris will also mail EOC certificates to the Certificate Holder. Invoices are due on September 1, 2026. Past-due amounts will incur interest until paid in full.

Enduris Coverage and Program Highlights:

While we are continuing to work with our broker to finalize reinsurance placement for PY 2027, we anticipate no reductions in the scope of coverage available to members. In fact, we have already secured several meaningful enhancements to coverage limits at no additional cost to members, including:

- Earthquake - property: Increased to $30,000,000 total
- Fiber Optic utility: Increased to $1,000,000 per loss, $5,000,000 aggregate
- Property, Boiler and Machinery, and Business interruption: Pool capacity increases
- "Upgrade to Green" (post-loss) coverage increased to $10,000,000

Note, the coverage increases continue as a combined shared limit amongst the pool membership. Property and Fiber optic must be listed on the member's Enduris property schedule for coverage to apply.

Our goal remains to provide broad coverage, effective risk management, education, exceptional claims service, and personal attention at a competitive price. We strive to provide optimal cost and value for each member's budget. Highlights of the Pool's program include:

- Replacement cost coverage on property with the largest public entity placement in the world, the Public Entity Property Insurance Program (PEPIP).
- $20,000,000 general liability coverage, which is autonomous for each district, not shared with other pool members or diminished from current or past claims.

- Coverage for additional member risk exposures such as Crime, Automobile, Cyber, Pollution, Public Officials E&O, and Employment Practices.
- Valuable partnerships and training to help members manage risk in areas of Human Resources, Cyber, and general risk management practices.

Please review your district's Memorandum of Coverage (MOC) because your coverage may differ from that outlined above.

Member Rates

Enduris works to ensure rates remain fair, equitable, and sustainable for all members. Member rates, both individually and collectively, are impacted by:

- The reinsurance and excess market
- Actuarially projected losses for past and future claims
- Actual member losses paid
- Inflation effect on (property, medical, cost of goods, and labor)

As a risk pool, we represent your collective interests in discussions with the reinsurance and excess market to secure favorable rates, broad coverage, and limits that provide optimal protection. The cost of insurance and coverage limitations remain prominent issues.

- The property reinsurance market remains favorable and generally consistent with last year. Enduris expects property reinsurance rates to renew flat or potentially decrease modestly.
- The liability reinsurance market continues to experience significant pressure nationwide. Social inflation, increasing litigation costs, large jury awards ("nuclear verdicts"), and reduced reinsurance capacity continue to drive costs upward. Washington State remains a challenging liability environment for public entities, like other high-litigation states. While Enduris anticipates a significant 20% increase in liability reinsurance costs, the Pool's financial strength and long-term planning help moderate the direct impact on member rates.

For PY 2027, the Pool's actuarial projection anticipates a 12% increase in claim costs over PY 2026. While the frequency and severity of member claims are major components, growth in underlying exposure and inflation also contribute to this rise.

Member contributions by coverage are calculated using each member's underlying exposure, the applicable member base rate, and individual risk modifiers.

- Changes to coverage exposures have a direct impact. This includes property values, number of vehicles, vehicle value, worker hours, and emergency runs. Changes in your District's underlying exposures for PY 2027 will affect your contribution amount, including additions or deletions of property, vehicles, and changes in worker hours or emergency runs (fire districts only). The reinsurer requires inflationary factors of 2.55% for Real Property (buildings) and 5.31% on personal property, equipment, and replacement cost vehicles, which have been applied to the PY 2027 schedules. Alliant has conducted multiple property appraisals and adjusted member property values accordingly.
- Through prudent fiscal management, strong loss-control efforts by our membership, and the use of actuarially developed rate-stabilization measures, most members are expected to see moderate changes in their base rates. For the Pool, the PY 2027 coverage base rate target range is -5% to +5% compared with PY 2026 rates. Some members may experience larger increases or decreases in their contribution compared to the target ranges shown above due to risk modifiers for such things as:
  - Changes in liability exposures such as worker hours, fire runs, and emergency response counts
  - Additions or removals of property, equipment, vehicles, or appraisals impacting Total Insured Values (TIVs) combined with the required inflation factor adjustments.
  - Individual claims history and loss experience
  - Risk management factors and underwriting considerations.
  - Actuarial recommendations are designed to improve rating equity across the membership.

It is a privilege for the Enduris Team to collaborate closely with Members. Each connection with a Member is an opportunity to better understand their unique needs and challenges. Enduris looks forward to responding to Members' needs and helping provide solutions to the coverage and risk-related issues facing our membership.

Check our website at www.enduris.us for upcoming training opportunities and to access your member portal site.

Thank you for your continued membership and service to our Washington communities.

Warm Regards,

Holly Ann Nelson

Holly Nelson
Executive Director