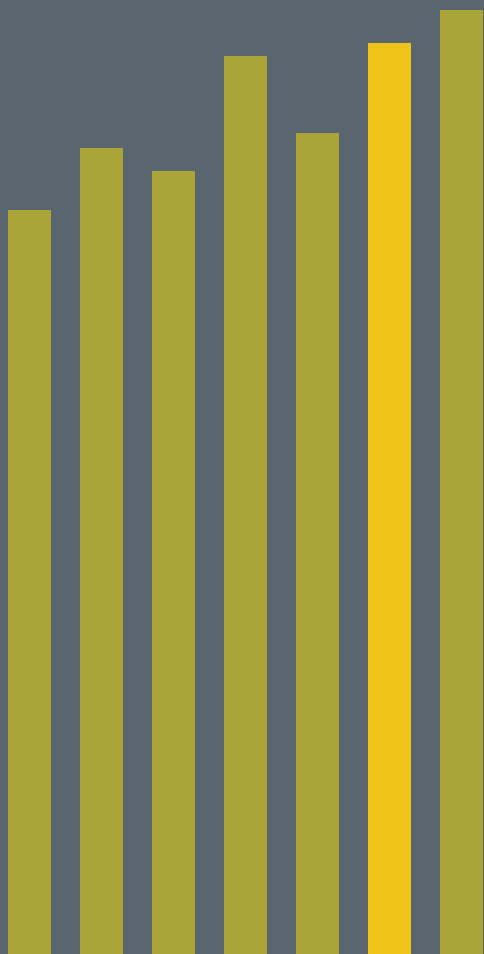




CIRSA

**ANNUAL
REPORT**

2018



SAFERTOGETHER

Dear Member:

We're pleased to present CIRSA's Basic Financial Statements for the year ended December 31, 2018 and 2017.

2018 was a challenging year for claims. A significant portion of the change in our net position can be attributed to the increased costs of claims, and particularly wind/hail-related property claims. Indeed, in 2018, Colorado earned the dubious distinction of being No. 1 in hail damage.

On the liability side, you're doing a good job of confronting the greater risks that accompany the expansion of your operations and expenditures. However, the liability environment may be contributing to greater costs when a claim does occur.

In the workers' compensation area, we likewise saw an increase in your payrolls. However, both the number of claims and the average cost per claim have both stayed flat, reflecting the importance you continue to place on employee safety as your workforce grows.

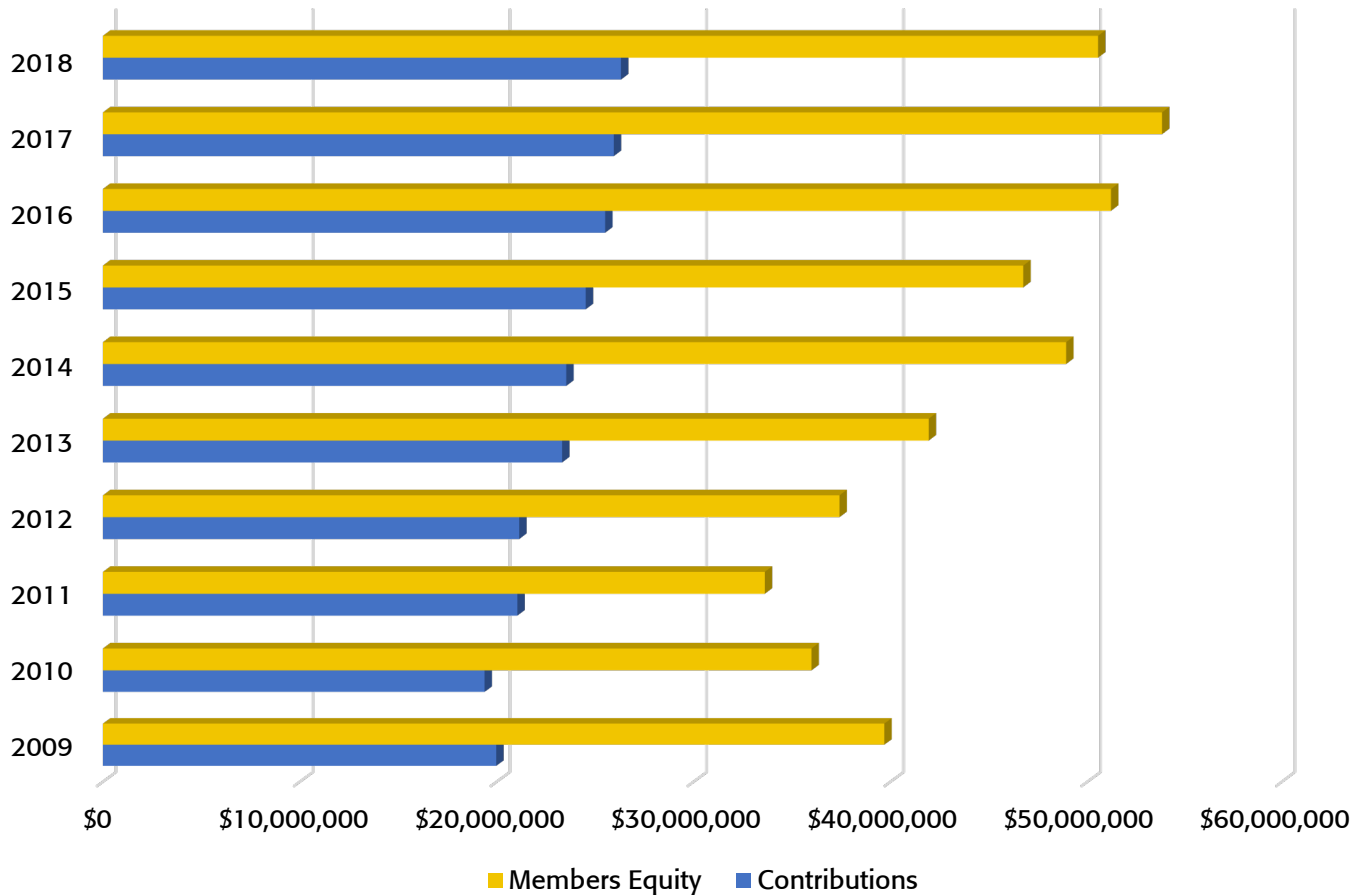
Looking into this year and beyond, we're excited about continuing our partnership with you. We may not be able to control all risks, such as the weather. But for the risks that can be managed, we're here to be your resource as you serve your communities and citizens. We truly are Safer Together.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tami A. Tanoue', written in a cursive style.

Tami A. Tanoue, Executive Director

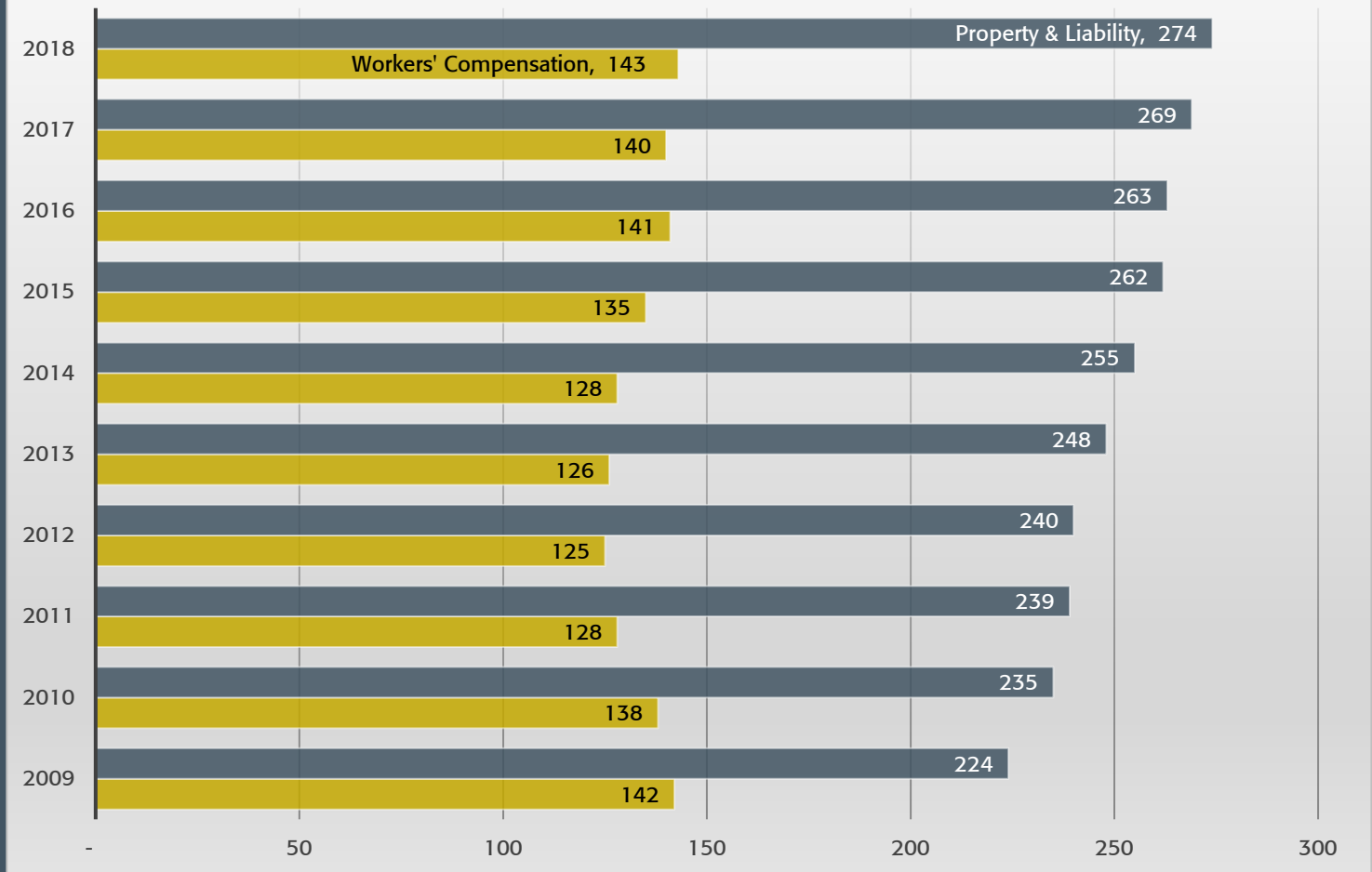
CONTRIBUTIONS & MEMBER EQUITY



Each member has an individual member equity account. The sum-total of all member equity accounts equals the pools' total resources or working capital. As of December 31, 2018, total member equity is \$50,544,493.

<i>Year</i>	<i>Contributions</i>	<i>Member Equity</i>
<i>2009</i>	\$19,976,875	\$39,685,772
<i>2010</i>	\$19,384,302	\$35,988,944
<i>2011</i>	\$21,049,135	\$33,616,710
<i>2012</i>	\$21,142,937	\$37,411,579
<i>2013</i>	\$23,322,472	\$41,941,181
<i>2014</i>	\$23,533,639	\$48,922,717
<i>2015</i>	\$24,522,524	\$46,744,357
<i>2016</i>	\$25,507,505	\$51,199,536
<i>2017</i>	\$25,948,155	\$53,790,707
<i>2018</i>	\$26,311,315	\$50,544,493

MEMBERSHIP GROWTH 2018

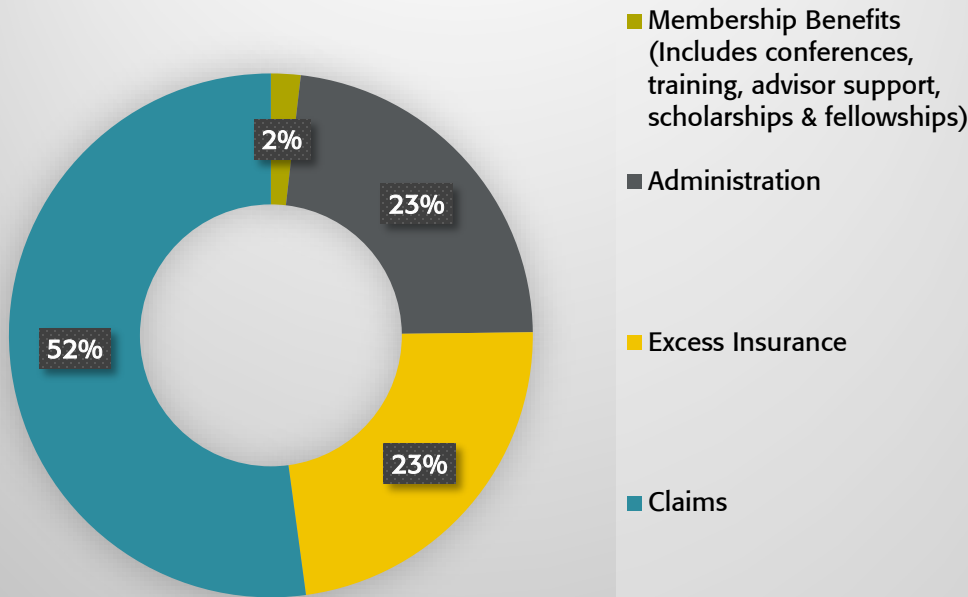


Property/Casualty - The Property/Casualty pool was established in 1982 with 18 members. Membership has continued to grow and is currently at 274 members.

Workers' Compensation - The Workers' Compensation Pool was established in 1988 with 38 members. Membership has continued to grow and is currently at 143 members.

140 members participated in both pools in 2018.

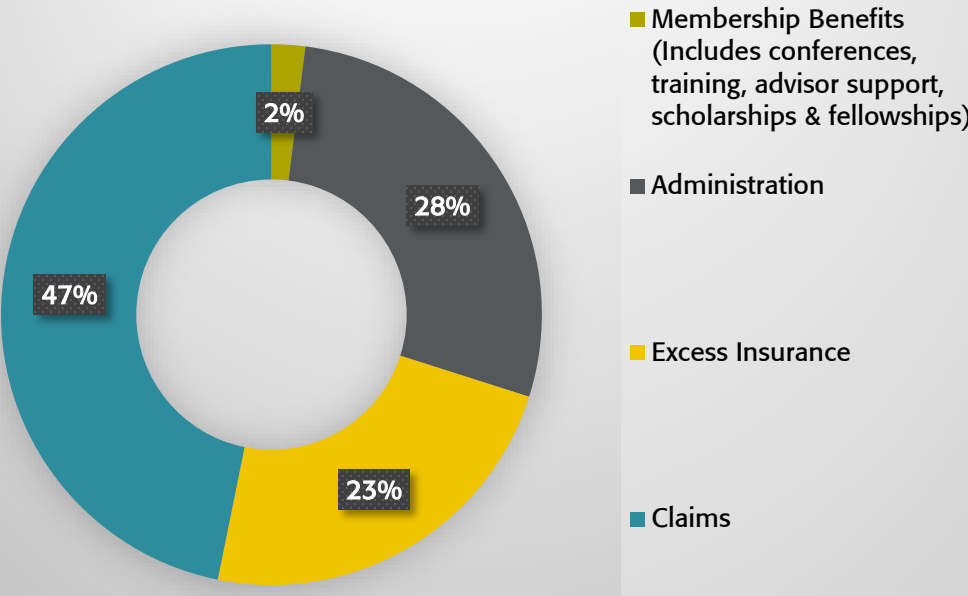
2018 Total Expenses \$38,670,229



In 2018, CIRSA's total expenses increased by \$7,845,321 over 2017 expenses.

Claims for 2018 were \$5.7 million more than 2017; much of the increase was attributable to the high volume of wind and hail claims that occurred in 2018.

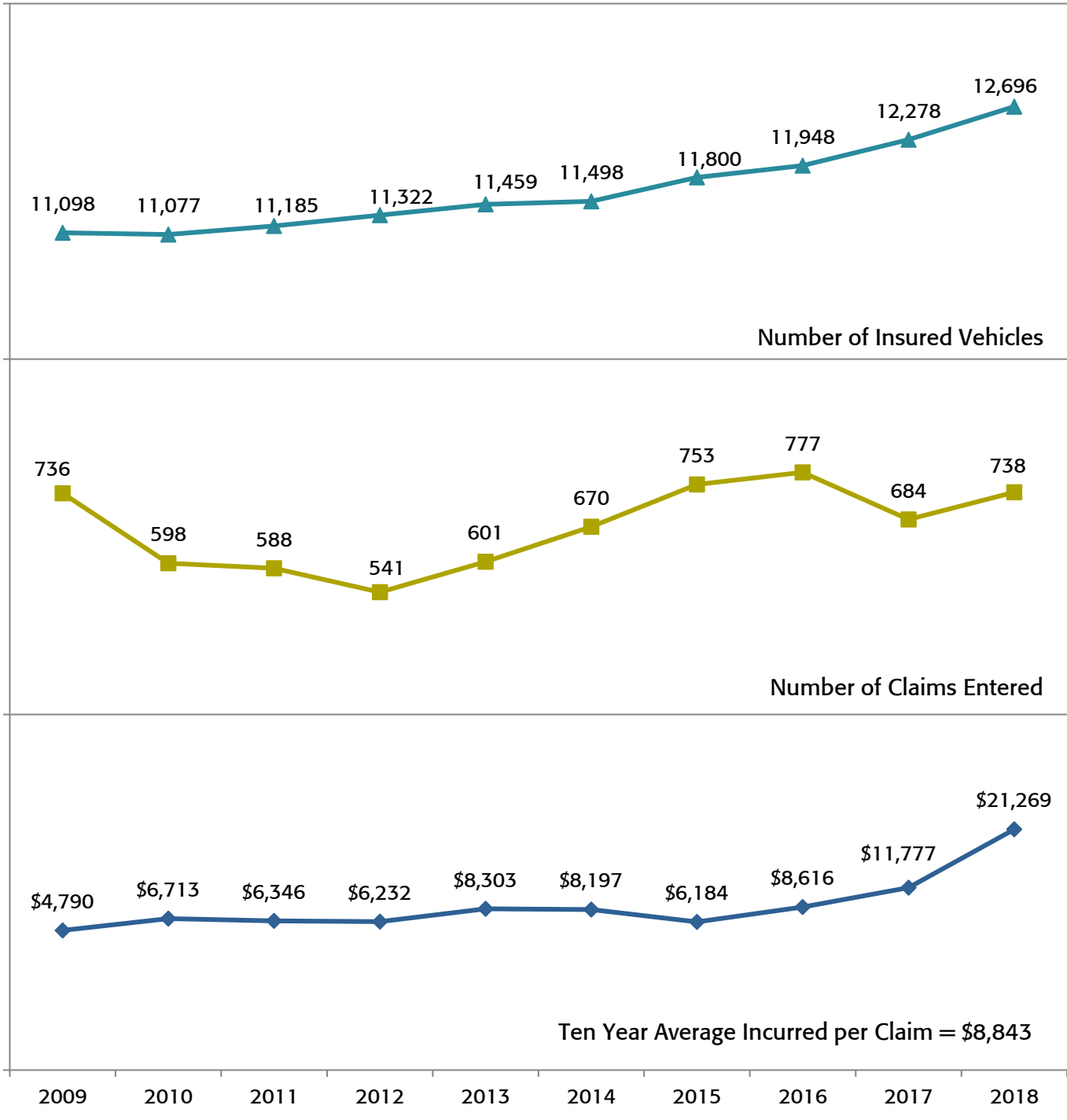
2017 Total Expenses \$30,824,908



Members' Insured Vehicles

Claims Per 100 Vehicles

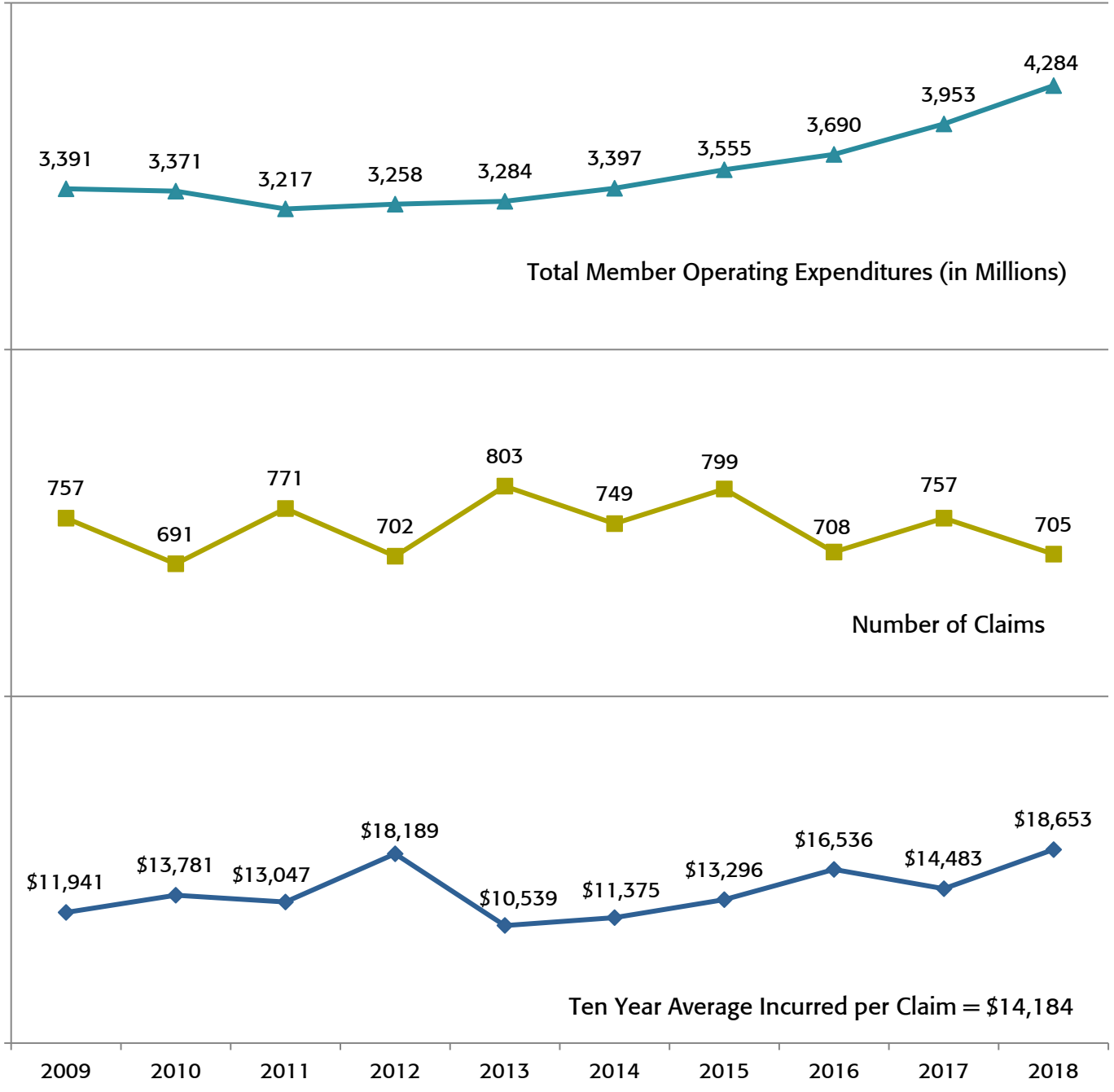
Through December 2009 - 2018



Since 2009, total insured vehicles increased by 1,598. While the total number of claims has remained relatively flat, the average cost of each claim has increased by \$16,479.

Liability

Claims Per \$100 Million of Total Member Operating Expenditures Through December 2009 - 2018

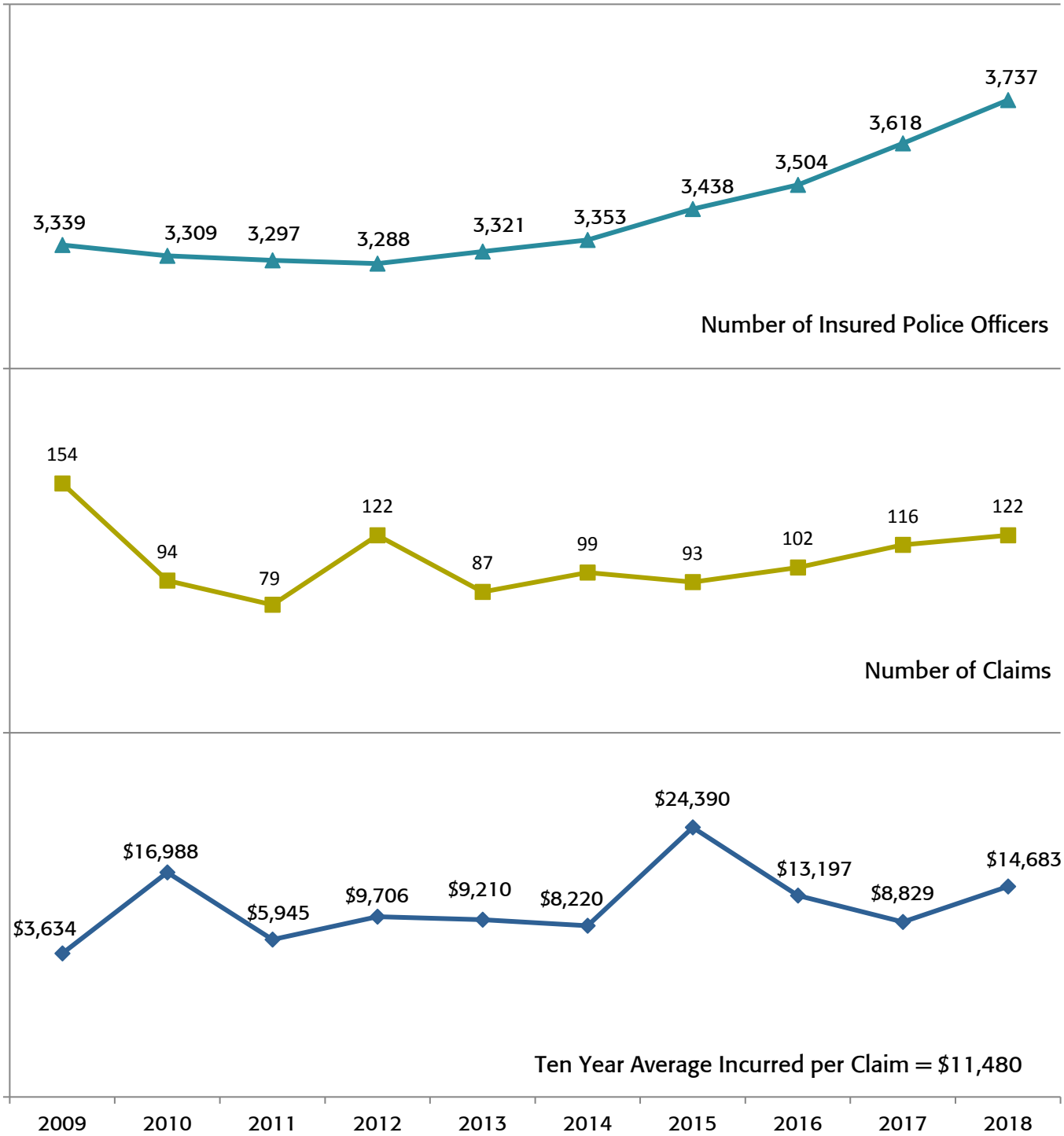


Over the past 10 years, total member operating expenditures have increased to approximately \$4.3 billion. While member operating expenditures have continued to grow, the number of claims has decreased. The average cost per claim has increased to \$18,653.

Police Professional Liability

Claims Per 100 Insured Police Officers

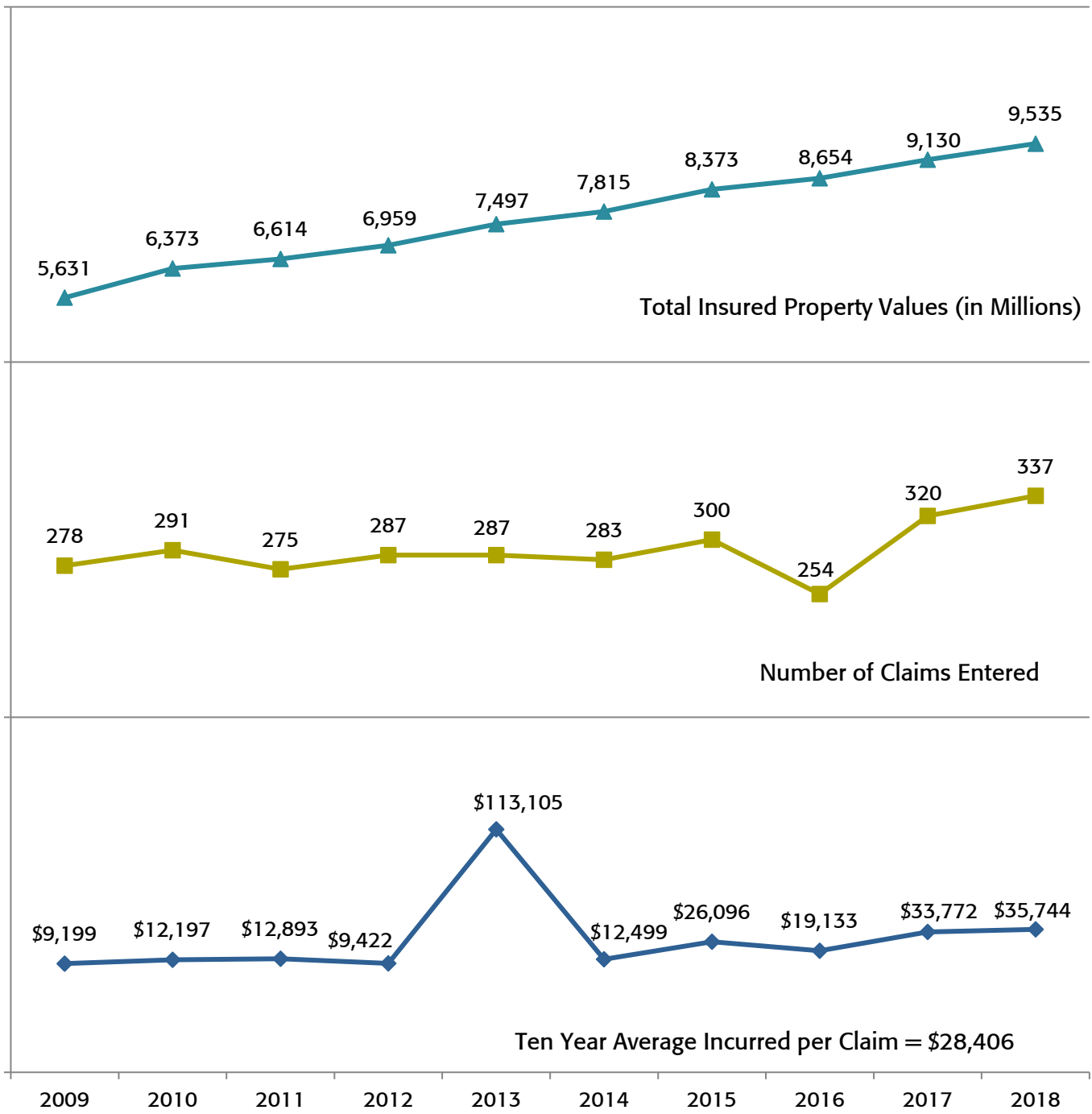
Through December 2009 - 2018



Since 2009, total insured police officers have increased by 398. While the total number of claims have decreased, the average cost of each claim has increased by \$11,049.

Property

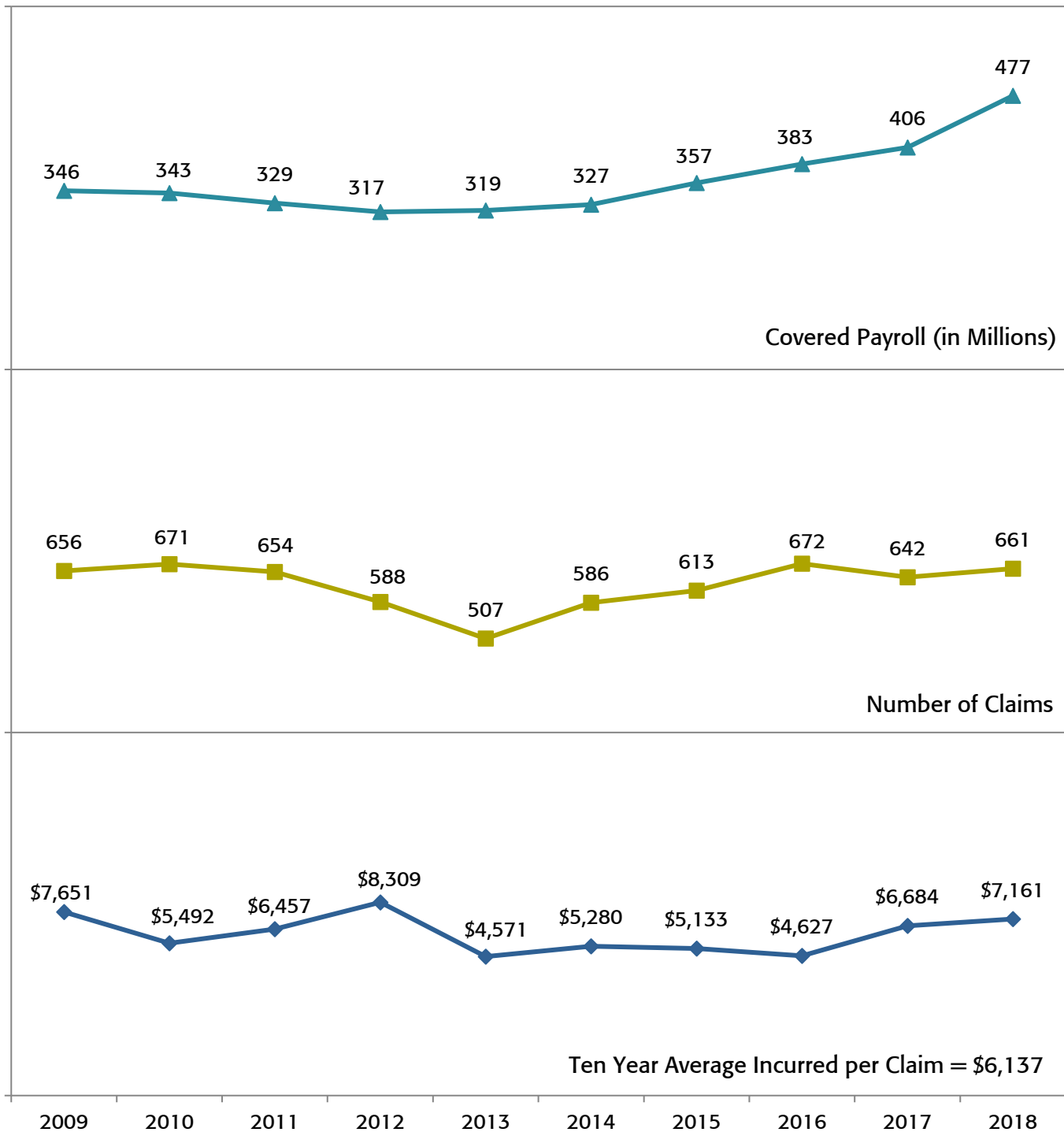
Claims Per \$100 Million of Insured Property Values Through December 2009 - 2018



Over the past 10 years, total insured property values have increased to over \$9.5 million. While property values continue to grow, so have the number of claims filed. The average cost per claim has increased to \$35,744.

Workers' Compensation

Claims Per \$1 Million of Covered Payroll Through December 2009 - 2018



Over the past 10 years, total covered payroll has increased to over \$477 million while both the number of claims and average claim cost have stayed relatively flat.