



ANNUAL REPORT 2019





Letter from the Executive Director

Dear Member:

We're pleased to present CIRSA's Basic Financial Statements for the years ended December 31, 2019 and 2018.

2019 was another challenging year for claims, although certainly not for the same reasons that 2018 was, as Colorado managed to escape major hail losses in 2019. The challenges came from a major hardening of the property and liability markets, with the resulting impact on the cost of our property and liability reinsurance coverages. The hard market is a nationwide and global phenomenon, but Colorado has joined the ranks of "cat" states, where catastrophic weather events are thought likely, making property reinsurance more expensive and harder to procure.

In the liability area, reinsurers are concerned about two high-risk areas: sexual molestation/abuse claims, and law enforcement liability claims. We haven't had much activity in the former to this point, but have had some significant law enforcement liability claims.

There's good news, too. Our workers' compensation reinsurance costs remained relatively flat. Although we saw an increase in your payrolls and the number of claims, the average cost per claim has remained stable. As your workforce grows, it's clear that you are continuing to place a high value on employee safety.

Looking into this year and beyond, it's safe to say that you – our membership – and we are facing unprecedented challenges, as the coronavirus/COVID-19 pandemic and resulting consequences unfold and reverberate, in our communities and around the world. We hope we'll all be able to look back on 2020 and say, "We got through it." But no matter what happens, we're here to be your resource as you serve your communities and citizens. We truly are Safer Together.

Sincerely,

Tami A. Tanoue, Executive Director

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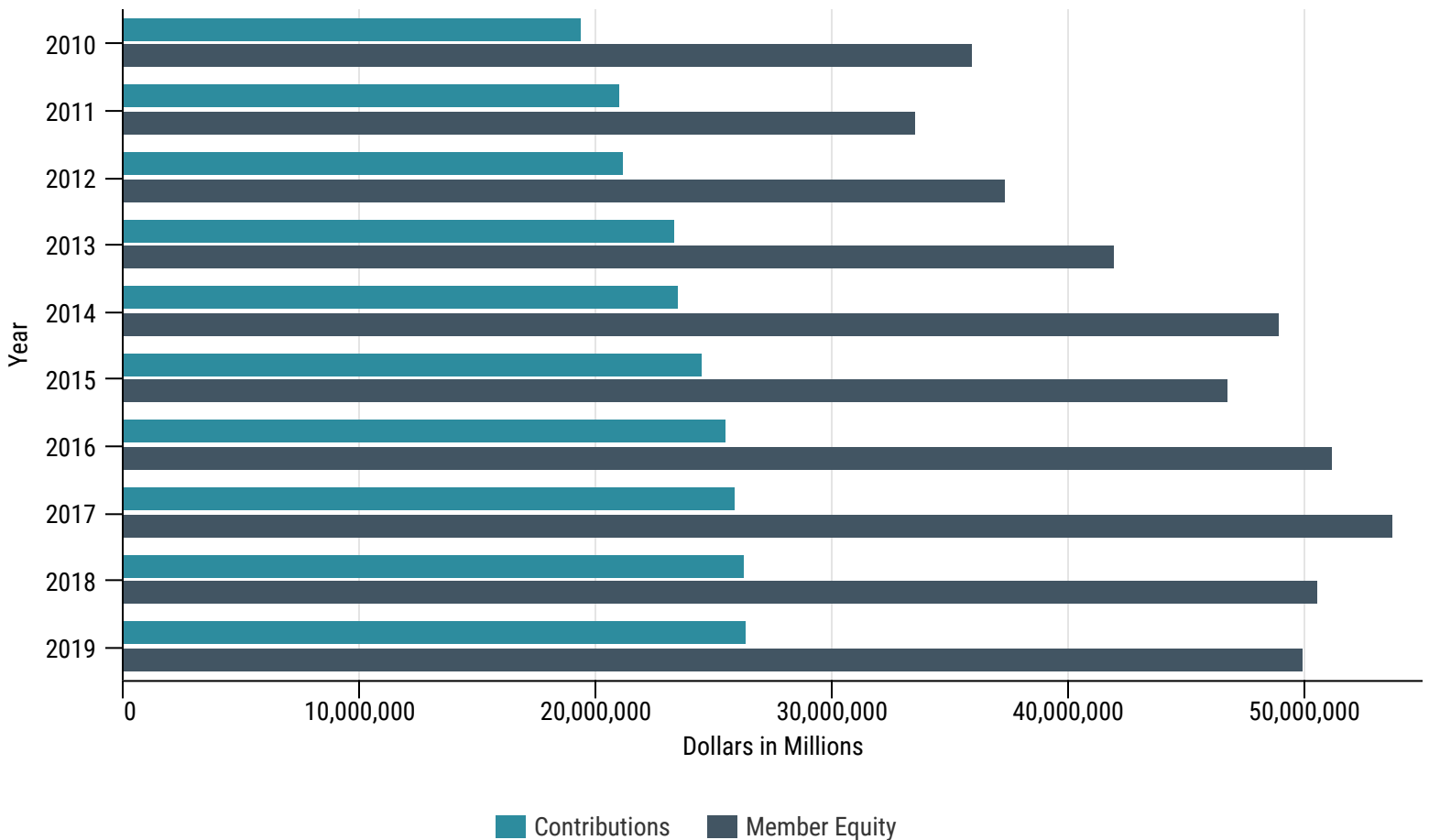
Our Mission

To provide Colorado municipalities with the knowledge, guidance, and resources they need to effectively manage risk and create the conditions for their communities and citizens to thrive.



Contributions & Member Equity

Over the Past 10 Years



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, 2019, total member equity was \$49,974,688.

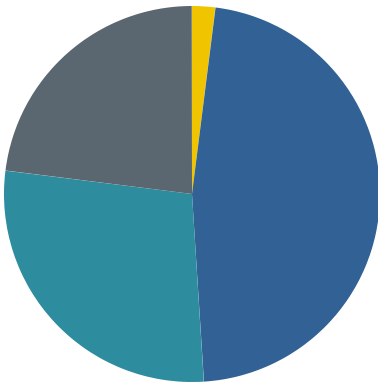


Total Expenses

Over the Past Three Years

2017 Expenses

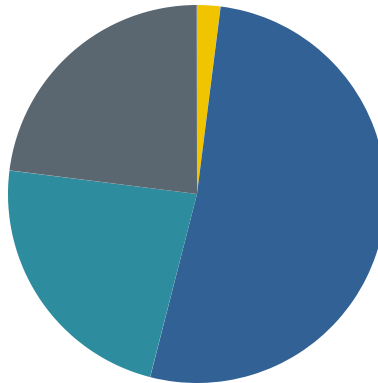
\$ 30,824,908



- Membership Benefits
- Claims
- Administration
- Excess Insurance

2018 Expenses

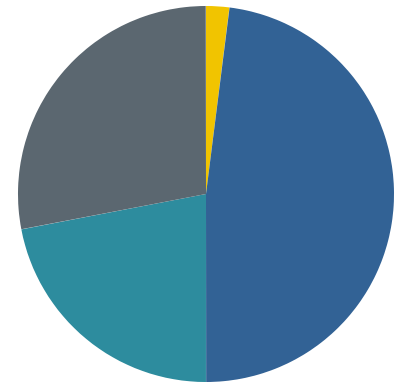
\$ 38,670,229



- Membership Benefits
- Claims
- Administration
- Excess Insurance

2019 Expenses

\$ 40,718,104



- Membership Benefits
- Claims
- Administration
- Excess Insurance

Membership Benefits includes conferences, training, advisor support, scholarships and endowments.

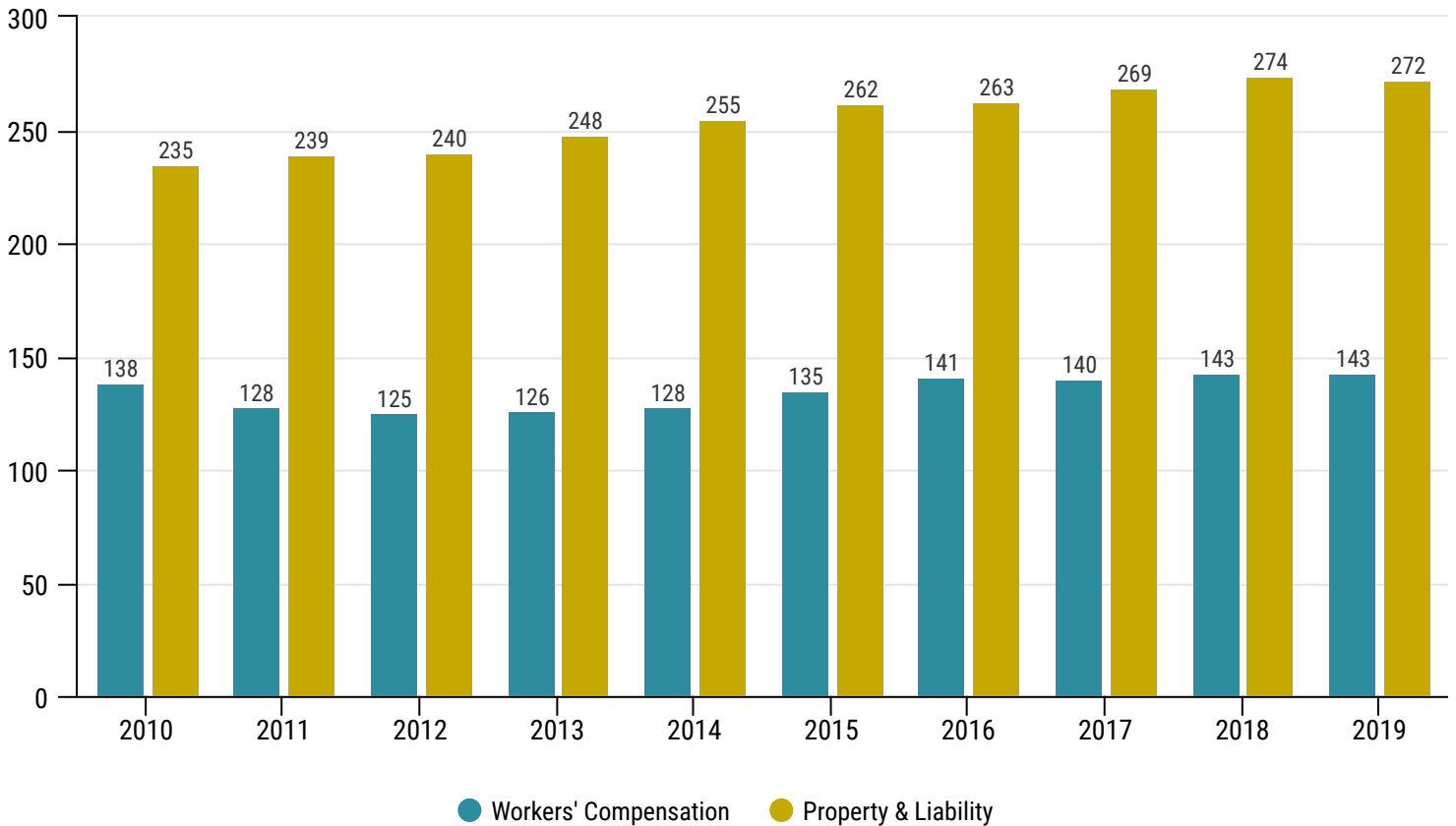
In 2019, total expenses increased by \$2,047,875 over 2018 expenses. Excess insurance expenses for 2019 were \$2.6 million more than 2018 excess insurance expenses.

Property/Casualty claims for 2019 were \$648,000 less than 2018 due to the high volume of wind and hail claims the pool experienced during 2018.



Membership Growth

Growth in the Last 10 Years



The Property/Casualty pool was established in 1982 with 18 members. Membership has continued to grow and as of 12/31/19 was at 272 members. The Workers' Compensation pool was established in 1988 with 38 members. Membership has continued to grow and as of 12/31/19 was at 143 members.

275

MEMBERS IN 2019

participated in both pools



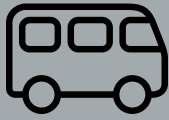
CIRSA Member List

Town of Aguilar
Town of Akron
Town of Antonito
Arkansas River Power Authority
Town of Arriba
City of Aspen
Aspen/Pitkin County Housing Authority
Town of Avon
Town of Basalt
Town of Bayfield
Town of Bennett
Town of Berthoud
Town of Bethune
City of Black Hawk
Town of Blanca
Town of Blue River
Town of Boone
Town of Bow Mar
Town of Breckenridge
City of Brighton
Town of Brookside
City/County of Broomfield
City of Brush!
Brush Rural Fire Protection District
Town of Buena Vista
City of Burlington
Town of Calhan
Town of Campo
City of Cañon City
Town of Carbondale
City of Castle Pines
Town of Castle Rock
Town of Cedaredge
City of Centennial
Town of Center
City of Central City
City of Cherry Hills Village
Town of Cheyenne Wells
Church Ditch Water Authority
Town of Coal Creek
Town of Cokedale
Town of Collbran
Colorado Information Sharing Consortium
Colorado Rangers Law Enforcement Shared Reserve
City of Commerce City
City of Cortez
City of Craig
Town of Crawford
City of Creede, a Town
Town of Crested Butte
Town of Crestone
City of Cripple Creek
Town of Crowley
City of Dacono
Town of De Beque
Town of Deer Trail
City of Delta
Town of Dillon
Town of Dinosaur
Town of Dolores
City of Durango
Town of Eagle
Eagle Valley Library District
Town of Eaton
Eaton Housing Authority
Town of Eckley
City of Edgewater
Town of Elizabeth
Town of Empire
City of Englewood
Englewood Housing Authority
Town of Erie

Town of Estes Park
Estes Park Housing Authority
City of Evans
Town of Fairplay
City of Federal Heights
Town of Firestone
FlatIron Improvement District
Town of Fleming
City of Florence
Foothills Animal Shelter
City of Fort Lupton
City of Fort Morgan
City of Fountain
Town of Fowler
Town of Foxfield
Town of Fraser
Town of Frederick
Town of Frisco
City of Fruita
Town of Garden City
Garfield Clean Energy Collaborative
Garfield County Emergency Communications Authority
Town of Genoa
Town of Georgetown
Town of Gilcrest
City of Glendale
City of Glenwood Springs
City of Golden
Town of Granada
City of Grand Junction
Town of Grand Lake
Great Western Trail Authority
Town of Green Mountain Falls
City of Greenwood Village
Town of Grover
City of Gunnison
Gunnison Valley Transportation Authority
Gunnison/Hinsdale Combined Emergency Telephone Service Authority
Town of Gypsum
Town of Hartman
Town of Haswell
Town of Haxtun
Town of Hayden
Town of Hillrose
Historic Arkansas Riverwalk of Pueblo Authority
Town of Holly
City of Holyoke
Holyoke Housing Authority
Town of Hooper
Town of Hot Sulphur Springs
Town of Hotchkiss
Housing Authority of the City of Brighton
Housing Authority of the City of Pueblo
Town of Hudson
Hudson Housing Authority - Prairie View Apartments
Town of Hugo
City of Idaho Springs
Town of Ignacio
Town of Iliff
Town of Jamestown
Jefferson Parkway Public Highway Authority
Town of Johnstown
Town of Julesburg
Town of Keenesburg
Town of Kersey
Town of Kim
Town of Kiowa
Town of Kit Carson
Town of Kremmling
Town of La Jara

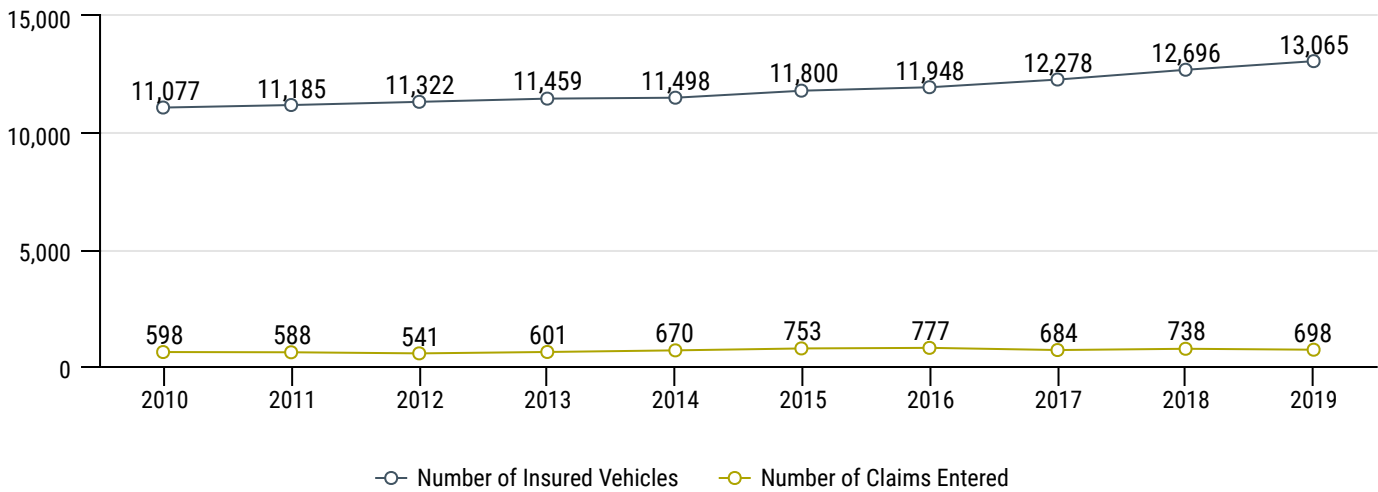
City of La Junta
Town of La Veta
City of Lafayette
Town of Lake City
Town of Lakeside
City of Lamar
Lamar Housing Authority
Larimer Emergency Telephone Authority
Town of Larkspur
City of Las Animas
Las Animas County E911 Authority
City of Leadville
Town of Limon
City of Littleton
Town of Lochbuie
Town of Log Lane Village
City of Lone Tree
City of Loveland
Town of Lyons
Town of Mancos
City of Manitou Springs
Town of Marble
Town of Mead
Town of Meeker
Town of Merino
Town of Milliken
Town of Minturn
Town of Moffat
Moffat County Local Marketing District
City of Monte Vista
Town of Montezuma
City of Montrose
Town of Monument
Town of Morrison
Mountain Express Transportation System
Town of Mountain View
Town of Mountain Village
Town of Mt. Crested Butte
Mustang Water Authority
Town of Naturita
Town of Nederland
Town of New Castle
North Front Range MPO
North Metro Task Force
North Park Fire Rescue Authority
City of Northglenn
Northwest Colorado Council of Governments
Northwest Parkway Public Highway Authority
Town of Norwood
Town of Nucla
Town of Nunn
Town of Oak Creek
Town of Olathe
Old Dillon Reservoir Water Authority
Town of Olney Springs
Town of Ophir
Town of Orchard City
Town of Ordway
Town of Otis
City of Ouray
Town of Pagosa Springs
Town of Palisade
Town of Palmer Lake
Town of Paoli
Town of Paonia
Town of Parachute
Town of Peetz
Town of Pitkin
Town of Platteville
Town of Poncha Springs
City of Pueblo

Pueblo Regional Building Department
Pueblo Urban Renewal Authority
Town of Ramah
Town of Rangely
Town of Raymer
Town of Red Cliff
Regional Housing Alliance of La Plata County
Town of Rico
Town of Ridgway
City of Rifle
Roaring Fork Transportation Authority
Town of Rockvale
City of Rocky Ford
Town of Romeo
Town of Rye
Town of Saguache
City of Salida
Town of San Luis
San Miguel Authority for Regional Transportation
Town of Sanford
Town of Sawpit
Town of Sedgwick
Town of Severance
City of Sheridan
Town of Silt
Town of Silver Cliff
Town of Silver Plume
Town of Silverthorne
Town of Silverton
Town of Simla
Town of Snowmass Village
Town of South Fork
South Routt Library District
Southwest Colorado Council of Governments
Town of Springfield
Town of Starkville
City of Steamboat Springs
City of Sterling
Town of Stratton
Town of Sugar City
Summit County Telecommunications Consortium
Town of Swink
Town of Telluride
City of Thornton
Town of Timnath
City of Trinidad
Town of Vail
City of Victor
Town of Vilas
Town of Vona
Town of Walden
City of Walsenburg
Town of Walsh
Town of Ward
Town of Westcliffe
Western Colorado Regional Dispatch Center
City of Westminster
City of Wheat Ridge
Town of Wiggins
Town of Williamsburg
Town of Windsor
Windsor Housing Authority
Town of Winter Park
Woman Creek Reservoir Authority
City of Woodland Park
City of Wray
Yampa Valley Housing Authority
City of Yuma



Insured Vehicles

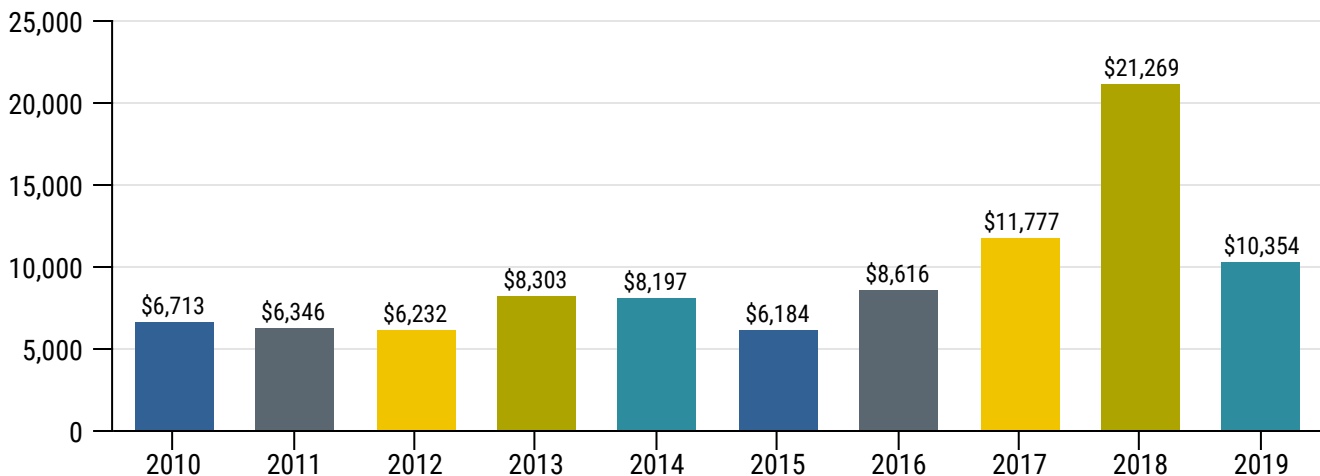
Members' Insured Vehicles - December 2010-2019



since
2010

total insured vehicles increased by 1,988, total number of claims increased by 100, and the average cost of each claim increased by \$3,641.

Average Incurred Per Claim

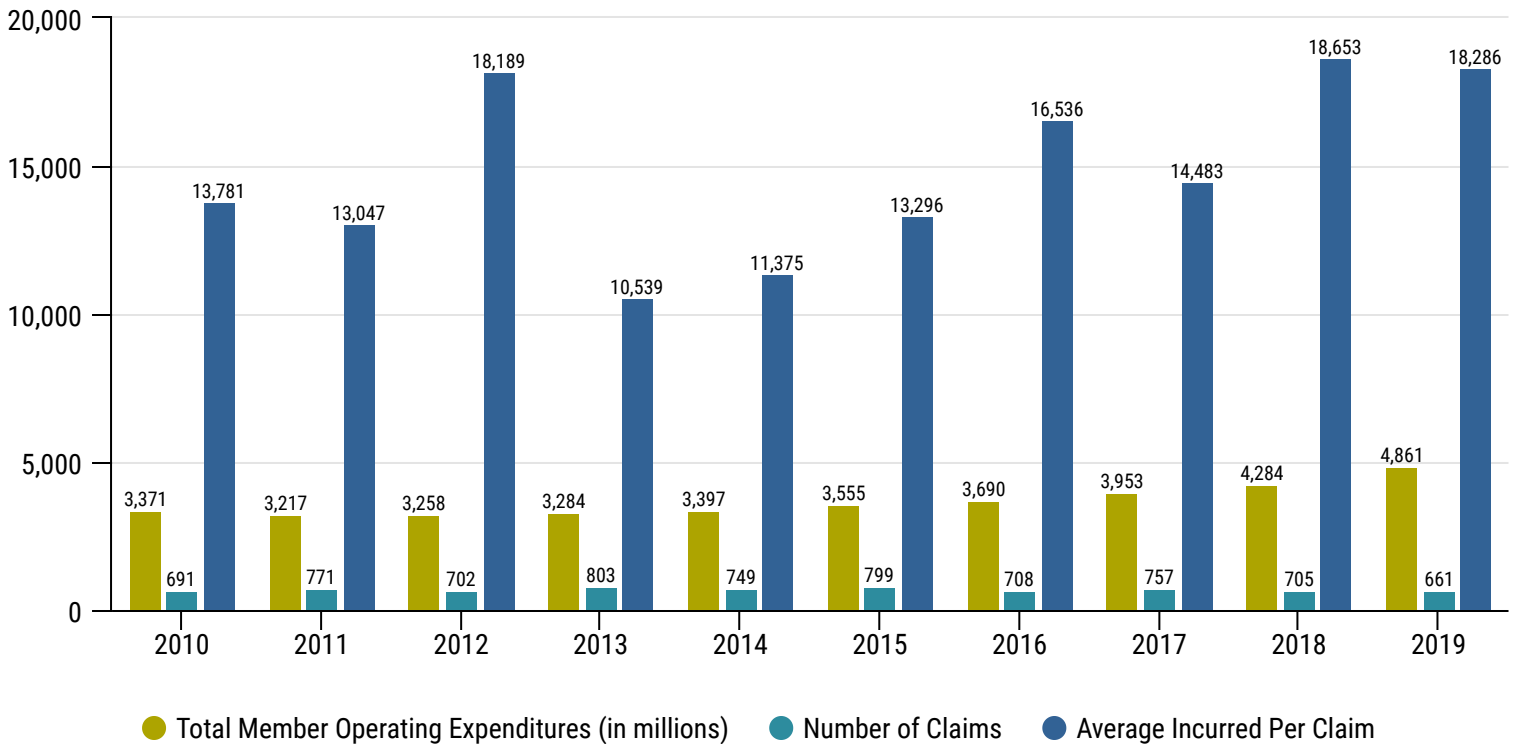


Ten year average incurred per claim = \$9,399



Liability Claims

Liability Claims per \$100 Million of Total Member Operating Expenditures

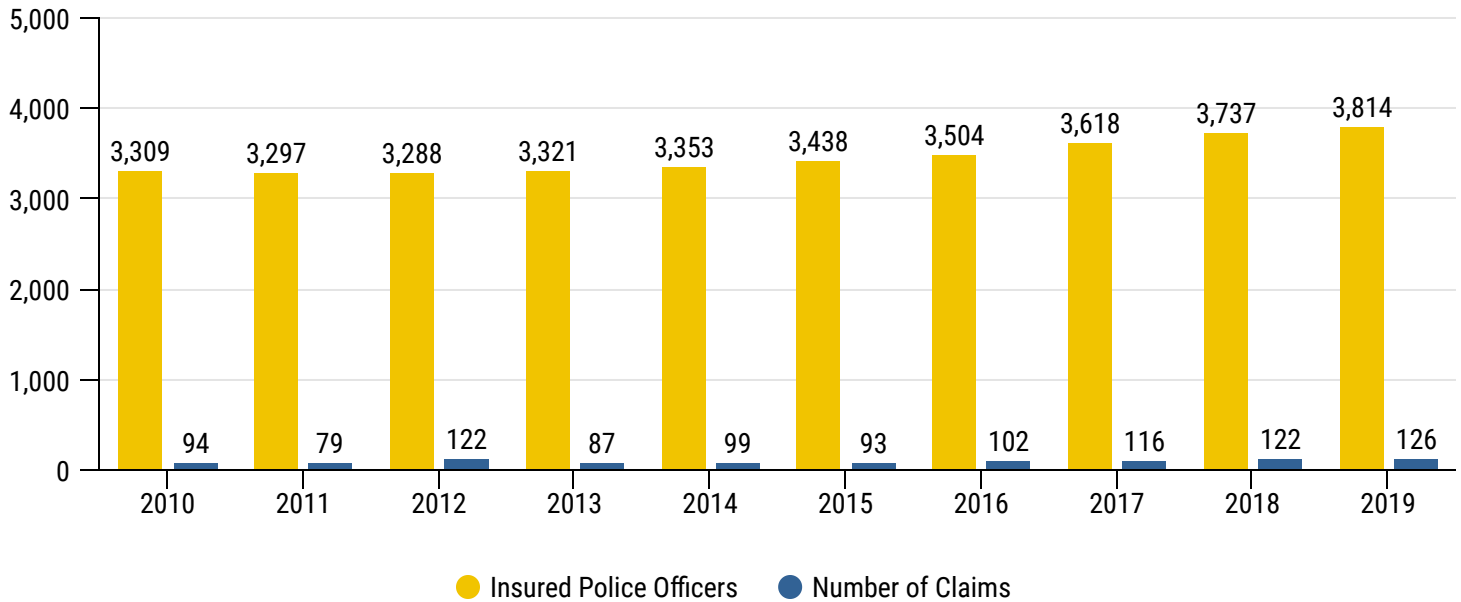


Over the past 10 years, total member operating expenditures have increased to approximately \$4.9 billion. While member operating expenditures have continued to grow, the number of claims has decreased. The average cost per claim has increased to \$18,286.

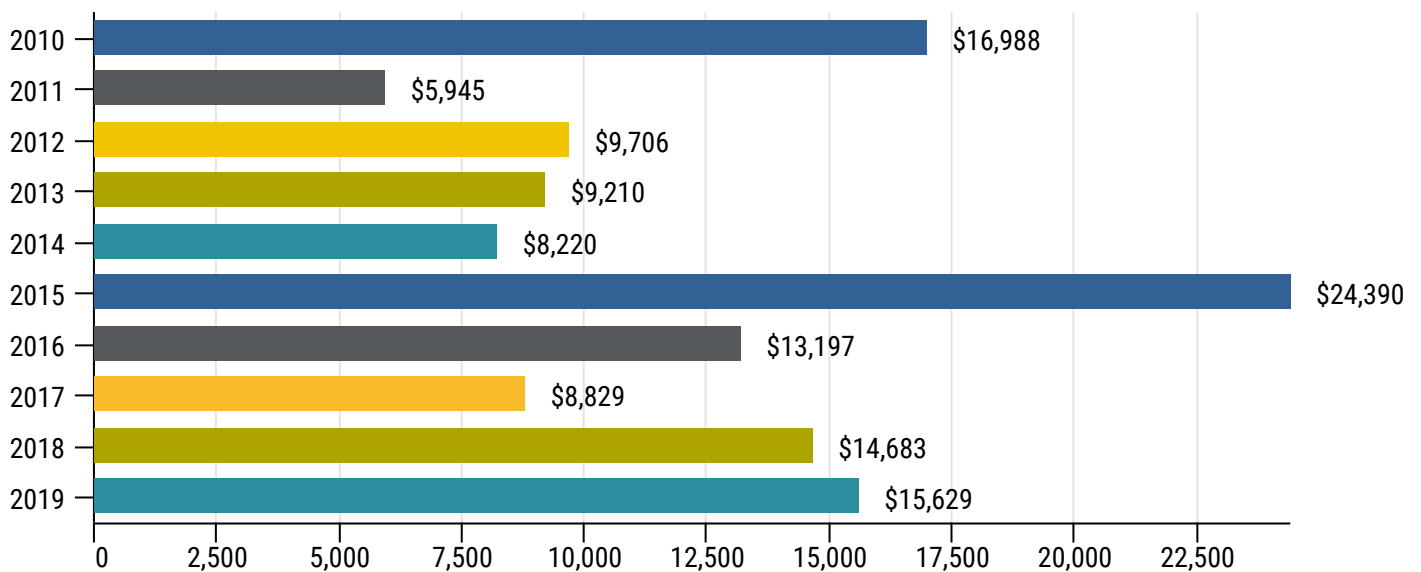


Police Claims

Police Professional Liability - Claims Per 100 Insured Police Officers



Ten Year Average Cost Incurred Per Claim



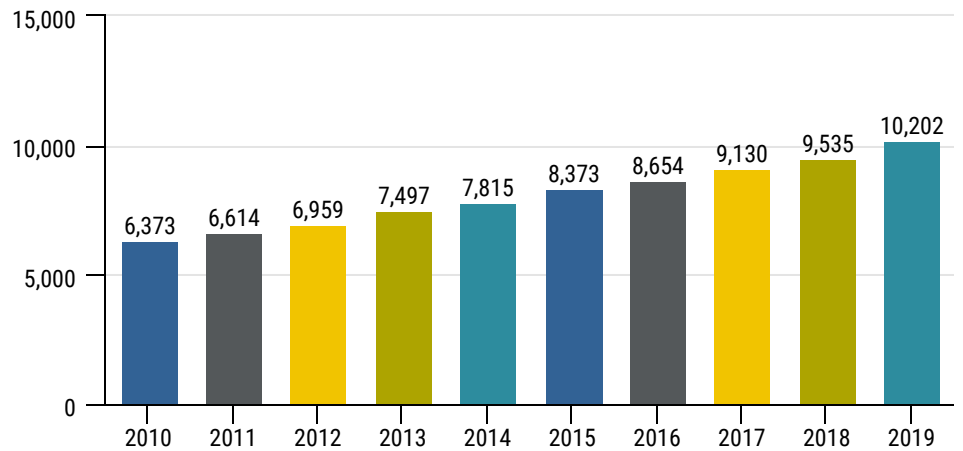
Since 2010, total insured police officers increased by 505. While the total number of claims has increased, the average cost of each claim has decreased to \$15,629.



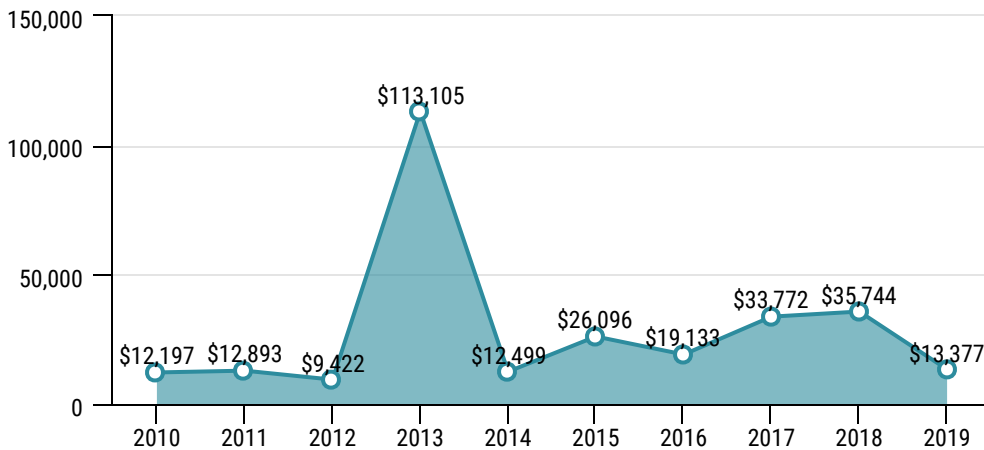
Property

Over the past 10 years, total insured property values have increased to over \$10.2 billion.

Total Insured Property Values (in millions)



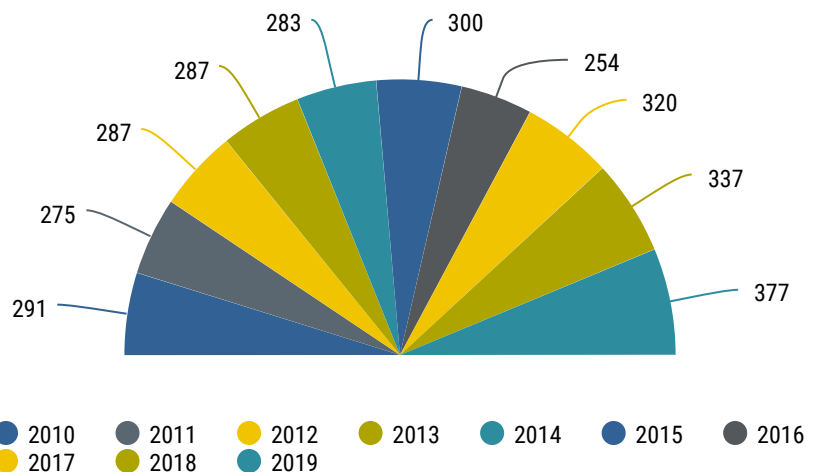
Ten Year Average Incurred Per Claim



Since 2019, the average costs per claim remained relatively flat at \$13,377.

While property values have continued to grow, so have the number of claims filed.

Number of Claims

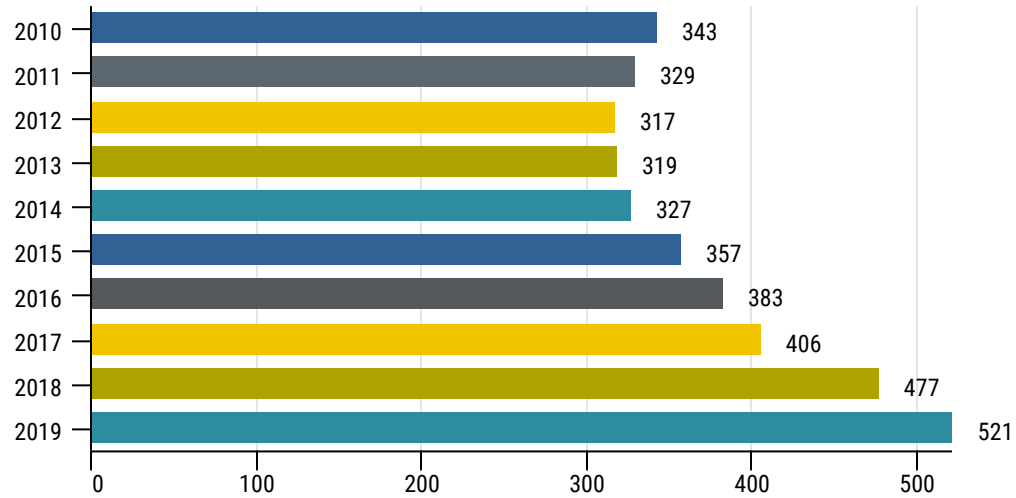




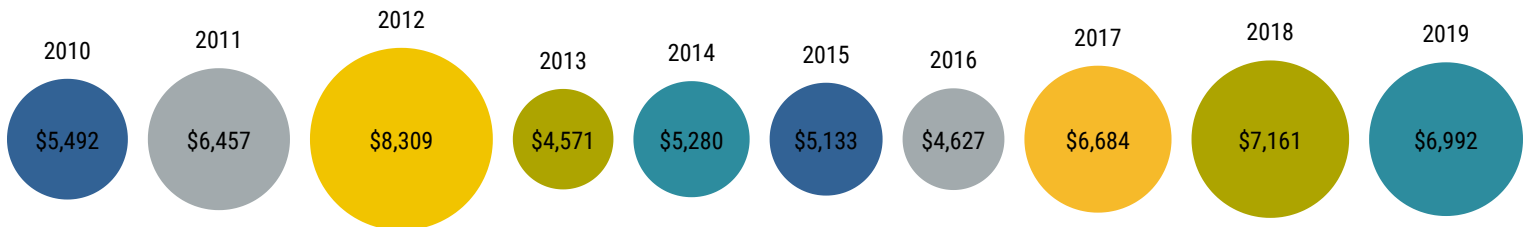
Workers' Compensation

Total covered payroll has increased to over \$521 million since 2010.

Covered Payroll (in millions)

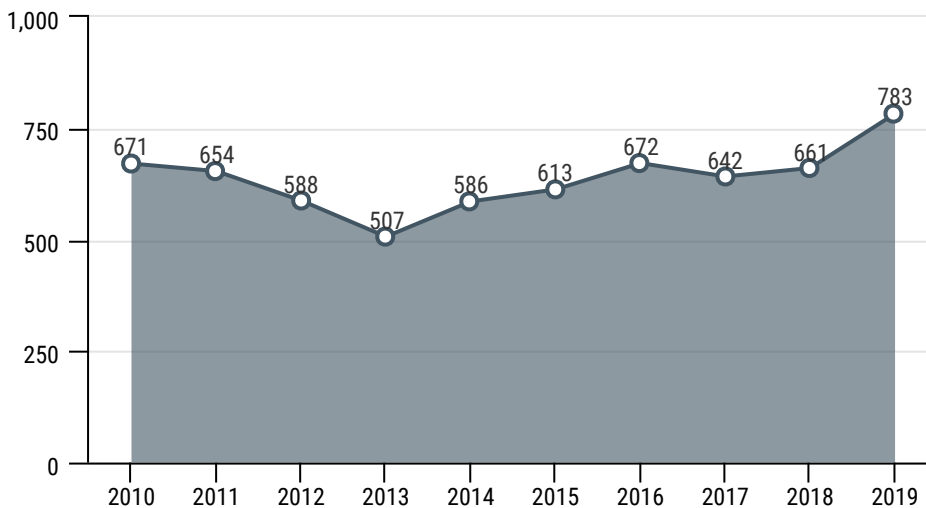


Ten Year Average Incurred Per Claim



Since 2010, average claim cost has stayed flat at \$6,992.

Number of Claims



Total number of claims has increased to 783.



Financials

STATEMENTS OF NET POSITION

Assets	As of December 31, 2019	As of December 31, 2018
Current assets:		
Investments in debt securities, at fair value (amortized cost of \$13,305,547 and \$15,181,245 at December 31, 2019 and 2018, respectively)	\$13,320,129	\$15,063,790
Cash and cash equivalents	21,800,063	3,360,220
Accrued investment income	288,781	301,596
Receivable from members	607,778	1,104,304
Excess insurance receivable, net	2,208,205	4,547,072
Prepaid expenses	282,412	266,324
Other assets	3,135	2,318
Total current assets	38,510,503	24,645,624
Noncurrent assets:		
Investments in debt securities, at fair value (amortized cost of \$43,520,806 and \$54,838,808 at December 13, 2019 and 2018, respectively)	44,250,348	54,125,010
Deposit with NLC Mutual Insurance Company	697,901	697,901
Capital assets, net	3,896,093	4,190,911
Total noncurrent assets	48,844,342	59,013,822
Total assets	\$87,354,845	\$83,659,446
Liabilities and Net Position		
Current liabilities:		
Reserves for unpaid losses and loss adjustment expenses net of excess insurance recoverables	\$12,621,000	\$10,255,000
Accounts payable and accrued liabilities	1,150,315	559,169
Member credits payable	1,076,350	1,168,489
Special contribution plan deposits	25,000	25,000
Unearned member contributions	73,320	66,054
Total current liabilities	14,945,985	12,073,712
Noncurrent liabilities:		
Reserves for unpaid losses and loss adjustment expenses net of excess insurance recoverables	22,434,172	21,041,241
Total noncurrent liabilities	22,434,172	21,041,241
Total liabilities	37,380,157	33,114,953
Net position:		
Invested in capital assets	3,896,093	4,190,911
Restricted	521,329	508,122
Unrestricted	45,557,266	45,845,460
Total net position	49,974,688	50,544,493
Total liabilities and net position	\$87,354,845	\$83,659,446



Financials

STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET POSITION

Operating Revenues

Member contributions earned (net of excess insurance and reinsurance premiums and brokerage commissions of \$11,560,272 and \$8,914,368 in 2019 and 2018, respectively)

Total operating revenues

As of December
31, 2019

As of December
31, 2018

\$26,395,018

\$26,311,315

26,395,018

26,311,315

Operating Expenses:

Losses and Loss adjustment expenses

19,514,339

20,162,656

General and administrative

9,643,493

9,593,205

Total operating expenses

29,157,832

29,755,861

Operating loss

(2,762,814)

(3,444,546)

Nonoperating Revenue:

Net investment income

2,984,280

1,122,525

Income (loss) before distributions

221,466

(2,322,021)

Distributions and credits to members and withdrawn members

(791,271)

(924,193)

Decrease in net position

(569,805)

(3,246,214)

Net position, beginning of year

50,544,493

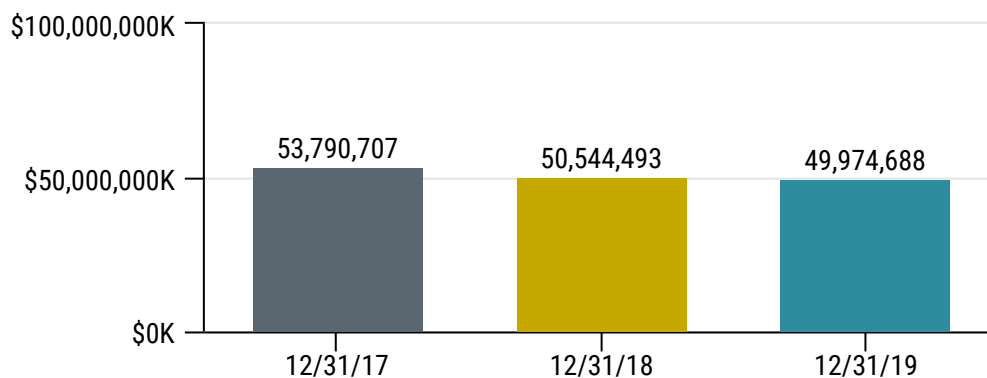
53,790,707

Net position, end of year

\$49,974,688

\$50,544,493

Net Position Over Past Three Years





Board of Directors



Martee Erichson, Chairperson



Jeff Durbin, Vice-Chairperson



Houssin Hourieh,
Secretary/Treasurer



Suzanne Leclercq, Board
Member



Crystal Twedt, Board
Member

2
0
1
9



Greg Caton, Board Member



Shane Hale, Board Member



CIRSA Staff

EXECUTIVE

Tami A. Tanoue, JD

Executive Director

Mary Beth Brown

Operations Manager

Jo Moeller

Administrative Assistant

CLAIMS

Mike Wagner, SCLA

Claims Manager

Property/Casualty

Dianne Dale Hall

PC Claims Supervisor

Bethany Ross

Liability Claims Specialist

Craig Stevens

Property Claims Specialist

Susan M. Eisenhoffer

Senior PC Claims Representative

(Montrose Office)

Nile D. Knez, CCLA

Senior PC Claims Representative

Bruce McKenney, SCLA, AIC

Senior PC Claims Representative

Francesca Pellerano, CPCU

Senior PC Claims Representative

Beverly Perry, CCLA/FCLA

PC Claims Representative

Linda Murphy

Administrative Assistant

Workers' Compensation

Marla Myers

WC Claims Supervisor

Anthony Moore

Senior Multi-Line Claims Representative

Lara E. Wilber

Senior PC Claims Representative

Amanda LeClair

Senior WC Examiner

TJ Benavides

Claims Representative Trainee

Amanda Longacre, WCLA

Claims Representative Trainee

GENERAL COUNSEL

Samuel J. Light

FINANCE

Linda Black, CPA, FCPA

Chief Financial Officer

Troy Krumland

Senior Accountant

Luke Driscoll

Financial Analyst/ Accountant

Layla Bussard

Senior Accounting Technician

Meghan Green

Accounting Clerk

INFORMATION TECHNOLOGY

David Beacham

IT Manager

Trace Fieseler, ITIL

Risk Technology Officer

Erik Schriewer

Senior System Administrator

UNDERWRITING

Jill Padbury, CIC

Underwriting Manager

Jessica M. Cowlshaw, CIC

Senior Underwriting Representative

Debbie Coleman

Senior Underwriting Representative

Catherine A. Wegman

Underwriting Representative

Deanna Erickson

Underwriting Representative

Monique Ferguson

Administrative Assistant

MEMBERSHIP SERVICES

Courtney Fagan, ARM

Strategy and Member Engagement Manager

Stephen G. Dellerba

Senior Marketing Representative

Destiny Johnson, CAP

Marketing Coordinator

LOSS CONTROL

Greg Barlow, CSP, CIT

Loss Control Manager

Jay Williamson, CSP, ARM, ALCM, CHCM

Loss Control Supervisor

I. Cristina Barthle, CIH, CSP

Senior Loss Control Representative

Larry Cardamone

Senior Loss Control Representative

(Montrose Office)

Nicholas Paoli, CSP, ARM, CFPS

Loss Control Representative

Sarah Hiett, COSS

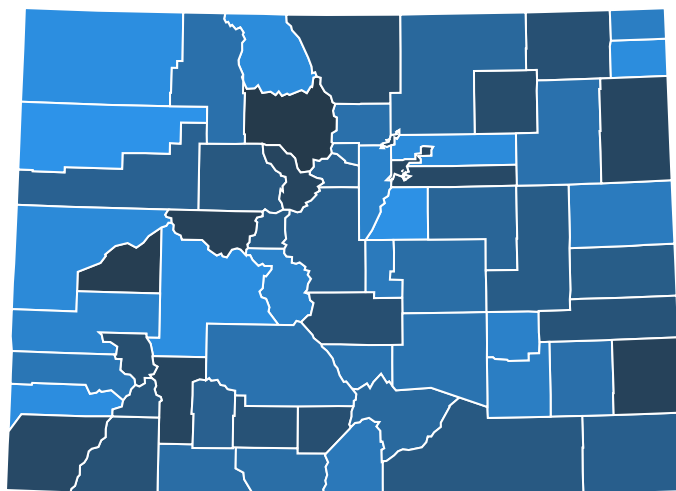
Loss Control Trainer/Representative

Eileen Chavez, MED

Training & Event Specialist

Channa Chavez

Administrative Assistant



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