



VRSA

Virginia Risk Sharing Association

More Than Insurance



**Virginia Risk Sharing Association and Subsidiaries
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2020 and 2019**



Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2020 and 2019

Prepared by:

Virginia Risk Sharing Association
Finance Department
Jeff Nickey, Deputy Managing Director

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Glen Allen, Virginia 23058
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Virginia Risk Sharing Association and Subsidiaries

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Virginia Risk Sharing Association and Subsidiaries



INTRODUCTORY SECTION

For the Period July 1, 2019 – June 30, 2020

- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Members' Supervisory Board
- Pool Membership
- Staff Listing
- Staff Organization Charts



December 23, 2020

Members' Supervisory Board
Virginia Risk Sharing Association
P. O. Box 3239
Glen Allen, VA 23058

Ladies and Gentlemen:

Bureau of Insurance regulations require that all public entity group self-insurance pools in Virginia, file with the Bureau a complete set of audited financial statements within six months of the close of each fiscal year. This Comprehensive Annual Financial Report (CAFR) for Virginia Risk Sharing Association (the Pool) fulfills that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Keiter, Certified Public Accountants, have issued an unmodified ("clean") opinion on Virginia Risk Sharing Association and Subsidiaries' consolidated financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

As required by GAAP, the MD&A provides a narrative introduction, overview and analysis to accompany the basic consolidated financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected financial and statistical data, generally presented on a multi-year basis.

Organization and Profile

The Pool is an unincorporated association formed for the purpose of administering risk management programs in accordance with laws of the Commonwealth of Virginia. On July 1, 2019, the Members Supervisory Board changed the name of the organization from VML Insurance Programs to Virginia Risk Sharing Association. The Board feels the new name better reflects the Pool's breadth of membership and emphasizes the collaborative nature of public entity risk pooling versus the traditional insurance market.

The Pool is considered a public entity risk pool for operational purposes. A public entity risk pool is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk. The Pool's membership consists primarily of small to medium size cities, towns, counties, school systems and other governmental authorities in Virginia. Larger jurisdictions in Virginia and elsewhere tend to be individually self-insured. Pooling allows smaller localities to reap the benefits from self-insurance that larger localities receive. Those benefits include increased availability and affordability of coverages, as well as overall improvement in risk management.

The Pool is governed by a nine person Members' Supervisory Board that is comprised of eight elected or appointed officials from member jurisdictions and the executive director of Virginia Municipal League. Board members are elected by the membership for three-year terms and may serve multiple terms. The Board elects a Chairman and Vice-Chairman who serve one-year terms. The day-to-day operations of the Pool are overseen by the Managing Director, who is the chief administrative officer and is responsible for the administrative implementation of policies stated in the Member Agreement and By-Laws as well as any policies established by the Board.

A detailed annual budget is prepared prior to each fiscal year and submitted to the Board for review and approval. The Pool operates on a fiscal year that begins July 1 and ends on June 30. Pool management is responsible for staying within budget and must advise the Board of any unusual or extraordinary items as they arise. Detailed reports comparing budget to actual are provided to the Board on a quarterly basis.

Economic Outlook

The Pool's economic outlook is tied to three factors: the economic condition of our members, the reinsurance market and the financial market. The last decade has been tough for local governments from a financial standpoint. Local government budgets have been constrained for several years due in part to public anti-tax fervor as well as unfunded mandates from both the state and federal governments.

Despite this tough economic climate, the Pool has maintained stable membership and achieved positive financial results. The Pool has introduced new coverages and added additional services for the benefit of its members while keeping rates stable or in many instances lowering them. The Pool has long considered stability of pricing and superior service to members as critical to its on-going success. For these reasons, members have remained loyal to the Pool during the economic slump.

The Pool expects the budgetary climate for members to deteriorate to some extent over the next few years due to the recent global pandemic. To assist members through these fiscal restraints, the Pool remains committed to keeping rates stable for as long as possible. There are many factors that can affect the Pool's ability to maintain stable rates, the most significant of which is member loss experience. Losses are highly variable, and the Pool has enjoyed favorable loss results for several years. While some increase in losses is generally expected in any given year, the pace and severity of the increases could impact the Pool's rates in the future.

The second element of the Pool's economic outlook is the reinsurance market. The reinsurance market for workers compensation and excess liability has been fairly stable for the last few years. Rates have been affordable and stable during that time and coverages have been sufficient for our needs. While we expect some hardening of the market in the future, we do not see rates rising dramatically or expect any coverage shortages in the near term.

The property reinsurance market has become increasingly catastrophe driven. Recent events such as record breaking 2020 hurricane season as well as other natural disasters affect property reinsurance globally not just the areas where they occur. As such property reinsurance rates have risen at a faster pace than for other lines of coverage. This has been exacerbated by recent loss experience in the Pool. The Pool expects rates for property reinsurance to continue to climb for the next few years. Again, the increase should not be enough to cause coverage availability problems.

In addition to reinsurance placed through the traditional market, the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company, effective July 1, 2018. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits to creating a captive include: establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retain a portion of risk in an historically profitable layer; and addressing unique coverage needs not readily available in the commercial market.

Currently the Pool utilizes the captive for a portion of the workers compensation, auto liability, general liability, public official's liability and law enforcement liability reinsurance. The Pool may expand both the amounts of reinsurance and lines of coverage placed through the captive in the future. As a wholly owned subsidiary of the Pool, VIRSA RE's financial results are consolidated in the Pool's CAFR.

The final element affecting the Pool's financial condition is the financial market, specifically the bond market. The Pool maintains a substantial investment portfolio which represents claim reserves that will be paid out over a number of years. The majority of this portfolio is in fixed interest rate securities. Interest rates have been at historically low levels for several years. Low rates hinder the Pool's ability to offset underwriting losses with interest income. Fortunately, the Pool has had relatively good underwriting results over the last few years and has not had to rely on interest income to supplement revenues. Over time however low interest rates could lead to the Pool relying more heavily on underwriting revenues which could put upward pressure on underwriting rates.

In addition, because the Pool reports its investments at market value in the audited consolidated financial statements, low interest rates pose an additional risk in the event that rates rise. As rates go up the value of fixed income securities held in a portfolio typically go down. While such movements tend to be cyclical, they can impact the Pool's consolidated financial statements on a year to year basis. The Pool maintains a relatively short average duration in its portfolio to help mitigate this risk. Securities with longer durations are more sensitive to interest rate fluctuations. The Pool has experienced both increases and decreases in the fair market value adjustment of its securities over the years. All of the adjustments have been within the Pool's tolerance and have not adversely affected the Pool's consolidated financial statements. The Pool expects interest rates to

rise in the future but does not expect the resultant losses in fair market value to significantly impact the Pool.

Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Virginia Risk Sharing Association for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of only one year. However, the Pool believes that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we will submit it to the GFOA for consideration of the award for this year as well.

The completion of the CAFR would not have been possible without the Pool's knowledgeable and dedicated team of professionals. A special note of gratitude goes to the Pool's personnel who assisted in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Steven Craig", with a stylized flourish at the end.

P. Steven Craig
Managing Director
Virginia Risk Sharing Association



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Virginia Risk Sharing Association

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

**Virginia Risk Sharing Association
Members Supervisory Board
July 1, 2019 – June 30, 2020**

Chair

Melinda Connor
County Administrator
Mathews County
P.O., Box 839
Mathews, VA 23109
mconnor@mathewscountyva.gov

Darlene Burcham
Town Manager
Town of Clifton Forge
547 Main Street
Clifton Forge, VA 24422
540-563-2501
dburcham@cliftonforgeva.gov

Josh Farrar
Town Manager
Town of Ashland
P.O. Box 1600
Ashland, VA 23005
804-798-9219
jfarrar@ashlandva.gov

Michelle Gowdy
Executive Director
Virginia Municipal League
P.O. 12164
Richmond, VA 23241
(804) 649-8471
mgowdy@vml.org
(Ex-officio)

Rhu Harris
County Administrator
Hanover County
7516 County Complex Road
Hanover, VA 23069
804-365-6005
rharris@hanovercounty.gov

Vice Chair

R. Clarke Wallcraft
Executive Director
Pepper's Ferry Wastewater Authority
P.O. Box 2950
Radford, VA 24143
540-639-3947
cwallcraft@pfrwta.com

Karen Pallansch
Chief Executive Officer
Alexandria Renew Enterprises
1500 Eisenhower Avenue
Alexandria, VA 22314
703-549-3381
Karen.pallansch@alexrenew.com

Dr. Jennifer Parish
Superintendent
Poquoson City Schools
500 City Hall Avenue
Poquoson, VA 23662
757-868-3055
jennifer.parish@poquoson.k12.va.us

Brian Thrower
Manager
Town of Crewe
125 E Carolina Ave
Crewe, VA 23930
434-645-9453
bthrower@townofcrewe.com

2019 - 2020 VRSA MEMBERSHIP

Accomack County DSS
Accomack-Northampton PDC
Albemarle County Service Authority
Albemarle/Charlottesville Regional Jail Authority
Alberta, Town of
Alexandria ASAP
Alexandria City Schools
Alexandria Library
Alexandria Renew Enterprises
Alexandria Transit Company
Altavista, Town of
Amherst, Town of
Appalachian Juvenile Commission
Appomattox Regional Governor's School
Appomattox River Water Authority
Appomattox, Town of
Ashland, Town of
Augusta County Landfill Trust
Augusta County Service Authority
Bath County Service Authority
Bedford Regional Water Authority
Bedford, Town of
Berryville, Town of
Blacksburg VPI Sanitation Authority
Blacksburg, Town of
Blackstone, Town of
Bloxom, Town of
Blue Ridge Crossroads EDA
Blue Ridge Juvenile Detention Commission
Blue Ridge Regional Library
Boones Mill, Town of
Botetourt County DSS
Bowling Green, Town of
Boyce, Town of
Boydton, Town of
Boykins, Town of
Branchville, Town of
Bridgewater Industrial Development Authority
Bridgewater, Town of
Broadway, Town of
Brodnax, Town of
Brookneal, Town of
Buchanan, Town of
Buena Vista, City of
Bull Run ASAP
Burkeville, Town of
Campbell County DSS
Campbell County IDA
Campbell County Utilities & Services Authority
Cape Charles, Town of
Capital Area ASAP
Capron, Town of
Cardinal Criminal Justice Academy
Carroll County DSS
Cedar Bluff, Town of
Central Rappahannock Regional Library
Central Shenandoah Criminal Justice Training Academy
Central Shenandoah PDC
Central Virginia ASAP
Central Virginia Criminal Justice Academy
Central Virginia Partnership for Economic Development
Central Virginia Transit Management Company
Central Virginia Waste Management Authority
Charlotte Court House, Town of
Charlottesville City Schools
Charlottesville Redevelopment & Housing Authority
Charlottesville- UVA - Albemarle Emergency Communication Center
Charlottesville, City of
Charlottesville-Albemarle Airport Authority
Charlottesville-Albemarle Convention & Visitors Bureau
Charlottesville-Albemarle Technical Center
Chase City, Town of
Chatham, Town of
Cheriton, Town of
Chesapeake Airport Authority
Chesapeake Bay Bridge & Tunnel District
Chesapeake City Schools
Chesapeake Redevelopment & Housing Authority
Chilhowie, Town of
Chincoteague Recreation and Convention Center Authority
Chincoteague, Town of
Claremont, Town of
Clarke County DSS
Clarksville, Town of
Cleveland, Town of
Clifton Forge, Town of
Clifton, Town of
Clintwood, Town of
CodeRVA
Coeburn, Town of
Colonial Beach Public Schools
Colonial Beach, Town of
Colonial Behavioral Health
Colonial Group Home Commission
Colonial Heights, City of
Commonwealth Governor's School
Commonwealth Regional Council
Community Action Partnership of Staunton, Augusta & Waynesboro
Court Community Corrections ASAP
Court Community Corrections DCJS
Court Community Corrections Drug Court
Covington, City of
Craig-New Castle PSA
Craigsville, Town of
Crater Criminal Justice Training Academy
Crater PDC
Crewe, Town of
Crossroads IFA c/o Joint IDA of Wythe County
Culpeper County Schools
Cumberland County DSS
Cumberland Plateau PDC
Cumberland Plateau Reg. Housing Auth.
Damascus, Town of
Dan River ASAP
Danville City Schools
Danville Redevelopment & Housing Authority
Danville, City of
Danville-Pittsylvania Regional IFA
Dayton, Town of
Dendron, Town of
Dillwyn, Town of
Dinwiddie County Water Authority
District Nine ASAP
Drakes Branch, Town of
Dublin, Town of
Duffield, Town of
Dumfries, Town of
Dungannon, Town of
Eastern Shore Public Library
Eastville, Town of

2019 - 2020 VRSA MEMBERSHIP, continued

Economic Development Authority of the City of Hampton Virginia
EDA of the City of Winchester
Edinburg, Town of
Elkton, Town of
Emporia, City of
Essex County DSS
Exmore, Town of
Fairfax County Water Authority
Fairfax, City of
Falls Church City Schools
Falls Church, City of
Farmville, Town of
Fauquier County Water & Sanitation Authority
Fincastle, Town of
Floyd, Town of
Floyd-Floyd County PSA
Franklin County DSS
Franklin, City of
Fredericksburg City DSS
Fredericksburg EDA
Fredericksburg, City of
Frederick-Winchester Service Authority
Fries, Town of
Front Royal, Town of
Galax, City of
Galax-Carroll Regional Library
Galax-Grayson EMS
Gate City, Town of
Glade Spring, Town of
Glen Lyn, Town of
Gloucester County
Gloucester County DSS
Gloucester County Schools
GO Northern Virginia Council Region 7
Goochland County DSS
Gordonsville, Town of
Goshen, Town of
Grayson County DSS
Greater Richmond Convention Center Authority
Greater Roanoke Transit Company d/b/a Valley Metro
Greensville & Emporia DSS
Gretna, Town of
Grottoes, Town of
Grundy IDA
Grundy, Town of
Halifax County IDA
Halifax County Service Authority
Halifax County Tourism Board
Halifax, Town of
Hallwood, Town of
Hamilton, Town of
Hampton City Schools
Hampton Redevelopment & Housing Authority
Hampton Roads Criminal Justice Training Academy
Hampton Roads PDC
Hampton Roads Regional Jail Authority
Hampton Roads Transportation Accountability Commission
Hampton Roads Workforce Council
Handley Regional Library
Hanover County
Hanover County DSS
Hanover County EDA
Hanover County Schools
Harrisonburg Electric Commission
Harrisonburg Redevelopment & Housing Authority
Harrisonburg Rockingham ECC
Harrisonburg Rockingham Regional Sewer Authority
Harrisonburg Rockingham Social Services
Harrisonburg, City of
Haymarket, Town of
Haysi, Town of
Henry County PSA
Henry/Martinsville Social Services
Herndon, Town of
Highland County DSS
Hillsboro, Town of
Hillsville, Town of
Hopewell Redevelopment & Housing Authority
Hopewell, City of
Hurt, Town of
Independence, Town of
Iron Gate, Town of
Irvington, Town of
Ivor, Town of
James River ASAP
Jarratt, Town of
Jefferson- Madison Regional Library
John Tyler ASAP
Joint PSA of Wythe & Bland Counties
Keller, Town of
Kenbridge, Town of
Keysville, Town of
Kilmarnock, Town of
King & Queen County DSS
King William County
Lake Barcroft Watershed Improvement District
Lancaster County DSS
Lawrenceville, Town of
Lebanon, Town of
Lee County DSS
Lee County Redevelopment & Housing Authority
Leesburg, Town of
Lewistown Commerce Center CDA
Lexington & Rockbridge Area Tourism
Lexington, City of
Lonesome Pine Regional Library
Loudoun County Sanitation Authority
Louisa County Water Authority
Louisa, Town of
Lovettsville, Town of
Luray, Town of
Luray-Page County Airport Authority
Lynchburg Redevelopment & Housing Authority
Lynchburg, City of
Madison County DSS
Madison, Town of
Manassas Park, City of and Manassas Park City Schools
Manassas, City of
Marion, Town of
Martinsville City Schools
Mathews County
Mathews County DSS
Maury Service Authority
McKenney, Town of
Meherrin Regional Library
Middle Peninsula Juvenile Detention Commission
Middle Peninsula Regional Airport Authority
Middleburg, Town of
Middlesex County EDA
Middlesex Water Authority

2019 - 2020 VRSA MEMBERSHIP, continued

Middletown, Town of
Mineral, Town of
Monterey, Town of
Montgomery County EDA
Montgomery Regional Solid Waste Authority
Montross, Town of
Mount Crawford, Town of
Mount Jackson, Town of
Mount Rogers PDC
Narrows, Town of
Nassawadox, Town of
Nelson County Service Authority
New Castle, Town of
New Horizons Regional Education Centers
New Kent County
New Market, Town of
New River Criminal Justice Training Academy
New River Resource Authority
New River Valley Emergency Communications Auth.
New River Valley Juvenile Detention Center
New River Valley Regional Commission
New River-Mt. Rogers Workforce Investment
Newport News City Schools
Newport News IDA/EDA
Newsoms, Town of
Nickelsville, Town of
Norfolk Redevelopment & Housing Authority
Northampton County Schools
Northern Neck Chesapeake Bay Public Access Authority
Northern Neck PDC
Northern Shenandoah Valley Regional Commission
Northern VA Criminal Justice Training Academy
Northern Virginia Cigarette Tax Board
Northern Virginia Juvenile Detention Center
Northern Virginia Regional Commission
Northern Virginia Regional Park Authority
Northern Virginia Transportation Authority
Northern Virginia Transportation Commission
Northumberland County DSS
Northwestern Regional Juvenile Detention Center
Norton, City of
Nottoway County
NRV Regional Water Authority
Ocoquan, Town of
Old Dominion Transit Mgmt Co DBA GRTC Transit System
Onancock, Town of
Onley, Town of
Orange, Town of
Painter, Town of
Pamplin, Town of
Pamunkey Regional Library
Parksley, Town of
PAVAN
Pearisburg, Town of
Pembroke, Town of
Peninsula ASAP
Peninsula Town Center CDA
Pepper's Ferry Wastewater Authority
Petersburg Redevelopment & Housing Authority
Peumansend Creek Regional Jail Authority
Phenix, Town of
Piedmont ASAP
Piedmont CSB
Piedmont Regional Criminal Justice Training Academy
Piedmont Regional Jail Authority
Pocahontas, Town of
Poquoson City Schools
Poquoson, City of
Port Royal, Town of
Portsmouth Redevelopment & Housing Authority
Potomac & Rappahannock Transportation Commission
Pound, Town of
Powhatan County DSS
Prince George County Schools
Prince William County IDA
Prince William County Schools
Prince William County Service Authority
Purcellville, Town of
Quantico, Town of
Radford City DSS
Radford City EDA
Radford, City of
Rappahannock Area CSB
Rappahannock County
Rappahannock County DSS
Rappahannock County Water & Sewer Authority
Rappahannock Juvenile Center
Rappahannock Regional Criminal Justice Academy
Rappahannock-Rapidan Regional Commission
Remington, Town of
Rich Creek, Town of
Richlands, Town of
Richmond Ambulance Authority
Richmond Behavioral Health Authority
Richmond Metropolitan Transportation Authority
Richmond Redevelopment & Housing Authority
Richmond Reg. PDC
Ridgeway, Town of
Rivanna Solid Waste Authority
Rivanna Water & Sewer Authority
Roanoke Redevelopment and Housing Authority
Roanoke River Service Authority
Roanoke Valley Broadband Authority
Roanoke Valley Juvenile Detention Center
Roanoke Valley Resource Authority
Roanoke Valley-Alleghany Regional Commission
Roanoke, City of
Rockbridge Area DSS
Rockbridge Area Network Authority
Rockbridge Area Recreation Organization
Rockbridge Regional Library
Rockbridge Regional Public Safety Communications Center
Rocky Mount, Town of
Round Hill, Town of
Rowanty Vocational Technical Center
Rural Retreat, Town of
Russell County DSS
Salem, City of
Saltville, Town of
Saxis, Town of
Scottsburg, Town of
Scottsville, Town of
Sheltercare of Northern Virginia
Shenandoah County DSS
Shenandoah Valley Animal Services Center
Shenandoah Valley Juvenile Center Commission
Shenandoah, Town of
Skyline Regional Criminal Justice Academy
Smithfield, Town of
Smyth-Washington Regional IFA

2019 - 2020 VRSA MEMBERSHIP, continued

So Centre Corridors Resource Conserv & Development
South Boston, Town of
South Central Wastewater Authority
South Hill, Town of
Southeastern PSA
Southeastern Virginia ASAP
Southern Virginia Recreation Facilities Authority
Southside PDC
Southside Regional Juvenile Group Home
Southside Virginia ASAP
Southwest Virginia Criminal Justice Training Acad
Southwest Virginia Regional Recreation Authority
Southwestern VA Transit Management Company
Spotsylvania County Public Schools
St. Paul IDA
St. Paul, Town of
Stafford County Schools
Stanley, Town of
Staunton City Schools
Staunton, City of
Stephens City, Town of
Stony Creek, Town of
Strasburg, Town of
Stuart, Town of
Suffolk City Schools
Suffolk Redevelopment & Housing Authority
Suffolk, City of
Sussex Service Authority
Tangier, Town Of
Tappahannock, Town of
Tazewell County Airport Authority
Tazewell County DSS
Tazewell, Town Of
The Governor's School at Innovation Park
The Governor's School For the Arts
The Governor's School of Southside Virginia
The Plains, Town of
Thomas Jefferson PDC
Tidewater Youth Services Commission
Timberlake WID
Timberville, Town Of
Toms Brook, Town of
Transportation District Comm of Hampton Roads
Tri River ASAP
Troutville, Town of
Twin County E911 Regional Commission

Upper Occoquan Service Authority
Urbanna, Town of
Vaco VML Pooled OPEB Trust
Valley CSB
Victoria, Town of
Vienna, Town of
Vint Hill EDA
Vinton, Town of
Virgilina, Town of
Virginia Energy Purchasing Governmental Assoc
Virginia Highlands Airport Authority
Virginia Investment Pool Trust Fund
Virginia Municipal Electric Association
Virginia Tech-Montgomery Exec Airport Authority
Wachapreague, Town of
Warm Springs Sanitation Commission
Warrenton, Town of
Warsaw, Town of
Washington County DSS
Washington County Service Authority
Washington, Town of
Watkins Centre CDA
Waverly, Town of
Waynesboro Public Schools
Waynesboro, City of
West Point, Town of
Western Tidewater CSB
Western Tidewater Regional Jail Authority
Western Tidewater Water Authority
Western Virginia Regional IFA
Western Virginia Water Authority
Westmoreland County
White Stone, Town of
Williamsburg EDA
Williamsburg Redevelopment & Housing Authority
Williamsburg Regional Library
Williamsburg, City of
Winchester, City of
Windsor, Town of
Wired Road Authority
Wise, Town of
Woodstock, Town of
Wytheville, Town of
York County
York County Schools
York-Poquoson Social Services

**Virginia Risk Sharing Association
Staff Listing
July 1, 2019 – June 30, 2020**

Administration

Steve Craig Managing Director

Communications

Hollie Cammarasana Director of Communications
Jackie Stauffer Administrative Specialist

Finance

Jeff Nickey Deputy Managing Director
Andrea Meade Accountant
Lisa Moore Accounting Assistant

Human Resources

Tina Stevens Director of Human Resources

Information Services

Mary Kay Marchetti Director of Information Services
Shanice Cole Business Analyst
Lisa Hart Project Manager
Judy Huang Sr Software Engineer
Kari Soniat Sr Data Analyst

Member Services

Marcus Hensel Director of Member Services
Harry McMillen Account Specialist
Lisa Schenk Sr. Account Executive
Nora Pierre Account Executive
Peter Stephenson Local Government Specialist
Karen Wall Administrative Specialist

Risk Services

Thomas Bullock Director, Training & Education
Fonda Craig Sr. Safety Consultant
Vinnie Gallo Sr. Safety Consultant
Eddie Shelton Safety Consultant
Gary Dillon Public Safety Specialist

Underwriting

Cathie Moreland-Hasty Director of Underwriting
Ann Chandler Sr. Underwriter
Laura Fox Sr. Underwriter
Crystal Griffin Sr. Underwriter
Karen Nuckols Underwriting Specialist

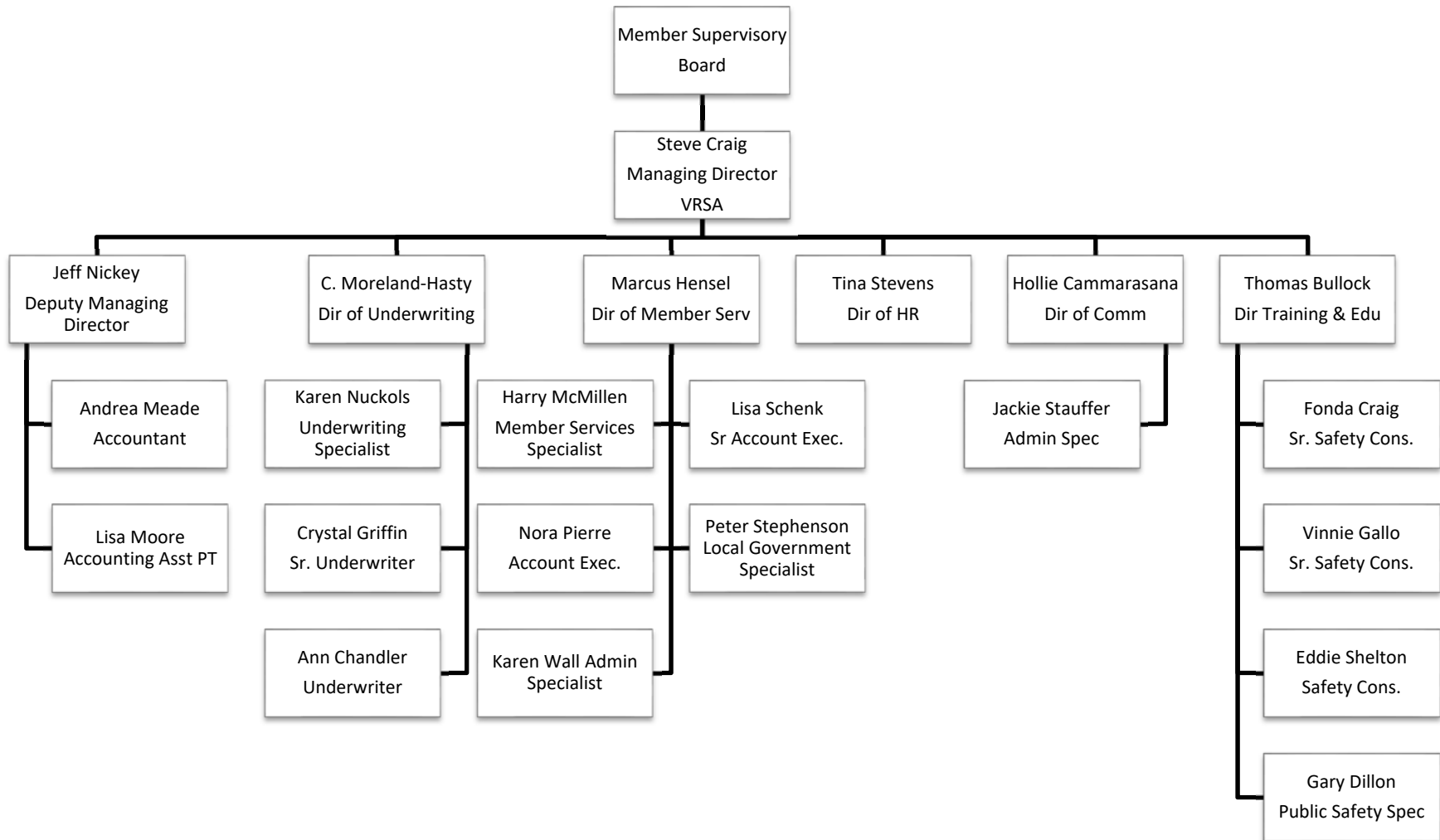
Property & Liability Claims

Chuck Jones Director of P & L Claims
Shauntrice Allen Claims Representative
Alonzo Brooks Claims Representative
Tracey Dunlap Claims Specialist
Pam Jones Claims Representative
Gail McWilliams Claims Representative
Angel Vidal Claims Representative
Greg Washington Sr. Claims Representative
Michelle White Fast Track Claims Representative

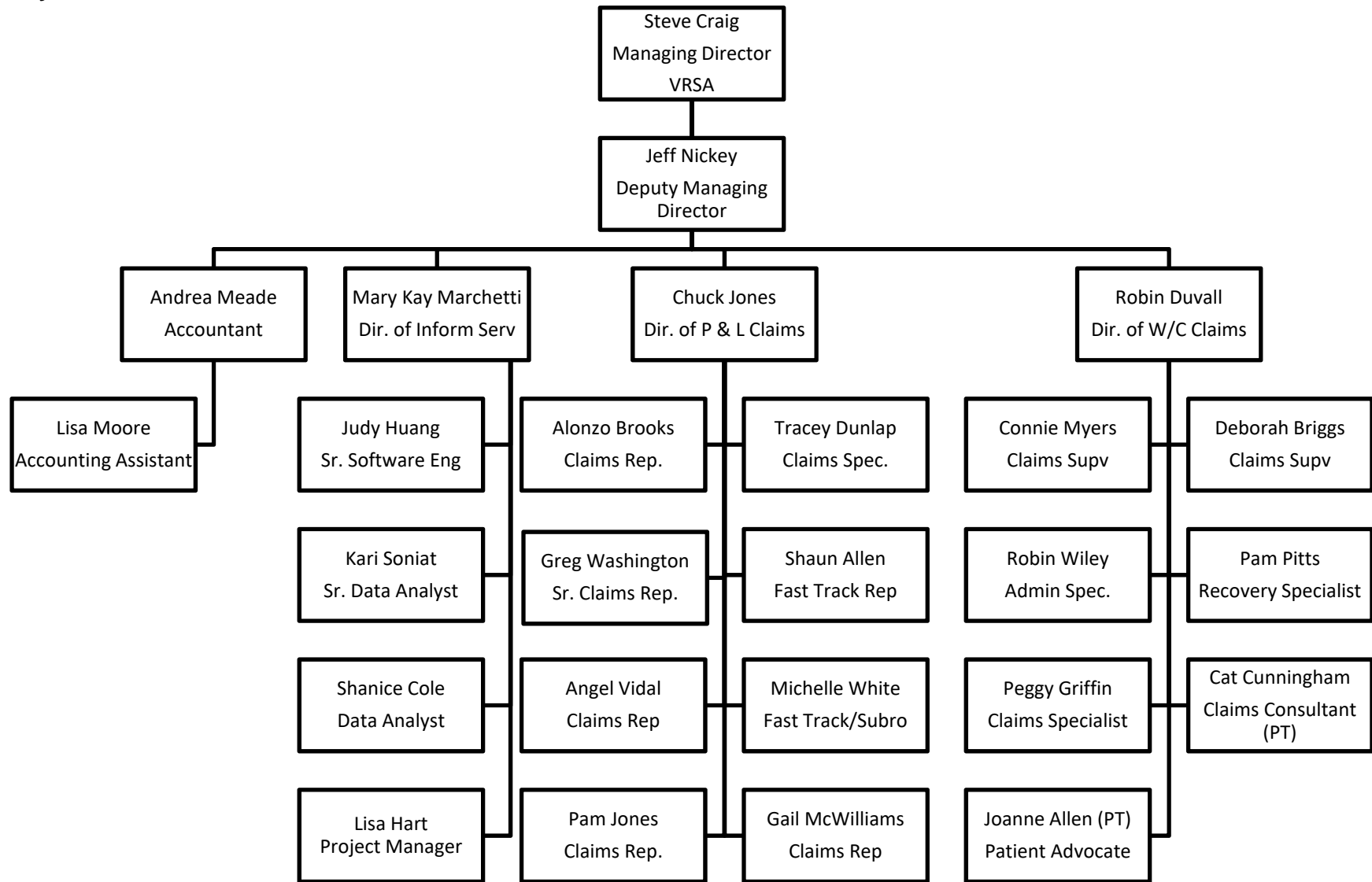
Worker's Compensation Claims

Robin Duvall Director of WC Claims
Joanne Allen Patient Advocate
Deborah Briggs Claims Supervisor
Sheila Caudill Sr. TPA Claims Representative
Tracy Christian Sr. Med Only Claims Representative
Cat Cunningham Claims Consultant
Peggy Griffin Sr. Indemnity Claims Representative
Cheryl Jenkins Med Only Claims Representative
Nicole Jennings Claims Representative
Kathy Nester Claims Technician
Rose Mayo File Processor
Jennifer Moore Indemnity Claims Representative
Connie Myers Claims Supervisor
Pam Pitts Recovery Specialist
Lora Robinson Mail Processor
Bunny Slayton Sr. Med Only Claims Representative
Charmaine Spain Claims Technician
Wendy Rice Sr. Indemnity Claims Representative
Tina Wetsch Sr. Indemnity Claims Representative
Robin Wiley Administrative Specialist
Beth Willoughby Sr. Indemnity Claims Representative

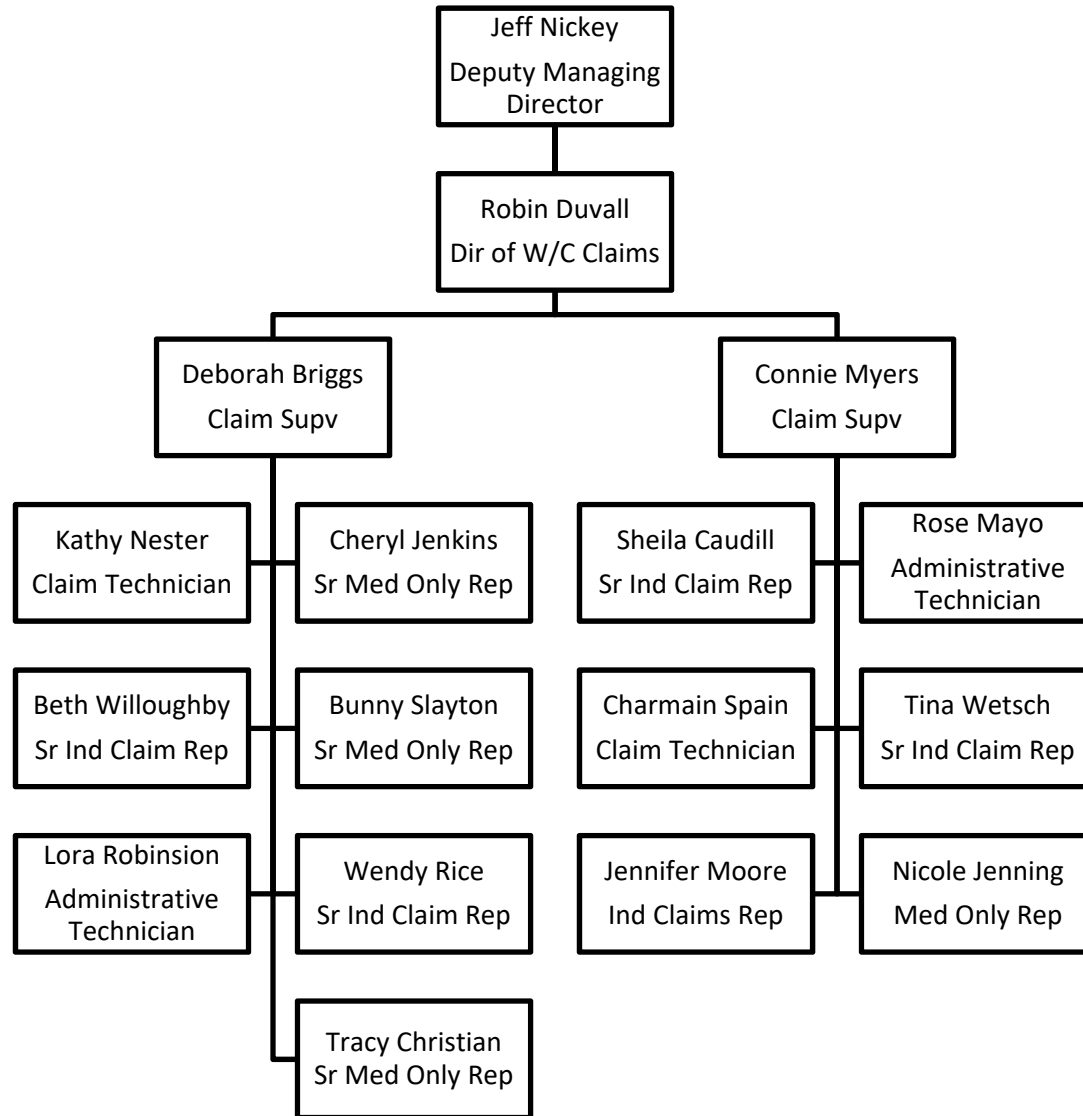
**Virginia Risk Sharing Association
Staff Organization Charts
July 1, 2019 – June 30, 2020**



Virginia Risk Sharing Association
 Staff Organization Charts, Continued
 July 1, 2019 – June 30, 2020



Virginia Risk Sharing Association
 Staff Organization Charts, Continued
 July 1, 2019 – June 30, 2020



Virginia Risk Sharing Association and Subsidiaries



FINANCIAL SECTION

For the Period July 1, 2019 – June 30, 2020

- Report of Independent Accountants
- Management Board Acknowledgement
- Management's Discussion and Analysis
- Consolidated Financial Statements
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
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 - Liability for Unpaid Losses, Net, by Type of Contract
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REPORT OF INDEPENDENT ACCOUNTANTS

The Members' Supervisory Board
Virginia Risk Sharing Association
Glen Allen, Virginia

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Virginia Risk Sharing Association and Subsidiaries ("the Pool"), which comprise the consolidated statements of net position as of June 30, 2020 and 2019, and the related consolidated statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Virginia Risk Sharing Association and Subsidiaries as of June 30, 2020 and 2019, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the liability for unpaid losses, net, by type of contract, and the ten-year claims development information on pages 41 through 44 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Pool's basic consolidated financial statements as a whole. The introductory sections, supplementary consolidated schedule of revenues and expenses by line of coverage, and statistical section are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements.

The supplementary consolidated schedule of revenues and expenses by line of coverage on page 45 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary consolidated schedule of revenues and expenses by line of coverage is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pool's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

December 23, 2020
Glen Allen, Virginia

VIRGINIA RISK SHARING ASSOCIATION AND SUBSIDIARIES

Pursuant to Section 14VA5-360-60 of the Virginia Administrative Code, we hereby submit the accompanying financial statements and supplemental data of the Virginia Risk Sharing Association and subsidiaries.



Chair, Board of Directors



Administrator

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis

June 30, 2020 and 2019

ANNUAL FINANCIAL REPORT

This section of the Virginia Risk Sharing Association and its subsidiaries', Virginia Local Government Risk Agency, LLC and Virginia Interlocal Risk Sharing Association RE, LLC, (the Pool) annual financial report presents a discussion and analysis of the Pool's financial performance during the fiscal years ended June 30, 2020 and 2019. Please read it in conjunction with your review of the Pool's consolidated financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2020

- For the year ended June 30, 2020 the change in net position was \$18,544,110 as compared to changes in net position of \$18,955,373 in 2019 and (\$5,447,772) in 2018. This brings total net position as of June 30, 2020 to \$139,918,170, which represents a 15.3% increase as compared to June 30, 2019. The increase in net position from June 30, 2018 to June 30, 2019 was 18.5%.
- Operating revenues increased 4.6% or \$2,569,713 in 2020 following an increase of 2.5% or \$1,379,185 in 2019. Operating revenues are derived primarily from member contributions for insurance coverage, which are dependent on many factors including changes in the Pool's members, members' exposures, member loss experience, as well as underwriting rates. The Pool uses various member exposures to determine member contributions based on the type of member and the line of coverage. These exposures may include any of the following factors individually or in combination: net operating expenses, payrolls, payroll classifications, building values, number and type of automobiles, and school enrollment. The increase in 2020 and 2019 are attributable to changes in these factors.
- Operating expenses increased 2.61% or \$1,537,605 in 2020 following a decrease of 3.0% or \$1,831,699 in 2019. Operating expenses consists of provision for losses, reinsurance, program administration fees and other expenses. Provision for losses represents 64.3% of the Pool's operating expenses for 2020 and 64.4% of operating expenses for 2019. The provision for losses increased \$920,965 in 2020 from 2019 attributable primarily to an increase in the provision for insured events for LODA coverage across all associated LODA policy years as detailed in Note F.
- Non-operating income decreased by \$1,443,371 during 2020, following an increase of \$21,192,261 in 2019. Non-operating income consists of investment income, net increase or decrease in fair value of investments and non-operating expenses. Investment income increased \$311,453 or 3.5% in 2020 and \$639,954 or 7.7% in 2019. The fair value of investments decreased \$1,745,147 for a total gain of \$11,793,556 in 2020 from the gain of \$13,538,703 in 2019. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. Generally when interest rates rise the value of securities held in the portfolio drop.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2020 and 2019

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *audited consolidated financial statements* consisting of consolidated statements of net position; consolidated statements of revenues, expenses, and changes in net position; consolidated statements of cash flows; and related footnotes, the *required supplementary information, and other supplementary information*.

Consolidated Statements of Net Position provide an indication of the Pool's financial health by reporting the difference between total assets and total liabilities and how they have changed from the prior year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Pool is improving or deteriorating.

Consolidated Statements of Revenues, Expenses and Changes in Net Position report all of the revenues and expenses during the time periods indicated as well as the change in net position during the year. The Pool reports information using the full accrual basis of accounting similar to that used by private-sector companies. This means all revenues and expenses, including estimated items, are recognized regardless of whether cash has been received or paid.

Consolidated Statements of Cash Flows report the cash provided and used by operating activities as well as other cash sources such as investment income. A major source of operating cash inflow was member contributions, while claims and claim adjustment expenses represented the main operating cash outflow.

Notes to Consolidated Financial Statements provide additional information and schedules that are essential to a complete understanding of the data provided in the consolidated financial statements.

Required supplementary information consists of the *Liability for Unpaid Losses, Net, by Type of Contract*, and the *Ten-Year Claims Development Information*, and other supplementary information consists of the *Supplementary Consolidated Schedule of Revenues and Expenses by Line of Coverage*. This information further explains and supports the information in the audited basic consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE POOL

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>2020-2019 Percentage change</u>	<u>June 30, 2018</u>	<u>2019-2018 Percentage change</u>
Current assets	\$ 58,250,168	\$ 53,490,999	8.9%	\$ 44,869,694	19.2%
Capital assets	4,803,237	4,749,907	1.1	4,754,727	(0.1)
Noncurrent assets	<u>292,918,857</u>	<u>269,659,750</u>	8.6	<u>253,752,669</u>	6.3
Total assets	<u>355,972,262</u>	<u>327,900,656</u>	8.6	<u>303,377,090</u>	8.1
Current liabilities	31,614,324	31,308,495	1.0	31,940,912	(2.0)
Noncurrent liabilities	<u>184,439,768</u>	<u>175,218,101</u>	5.3	<u>169,017,491</u>	3.7
Total liabilities	<u>216,054,092</u>	<u>206,526,596</u>	4.6	<u>200,958,403</u>	2.8
Net Position:					
Net investment in					
capital assets	4,803,237	4,749,907	1.1	4,717,005	0.7
Unrestricted	115,622,967	97,717,244	18.3	79,354,613	23.1
Restricted by regulation	<u>19,491,966</u>	<u>18,906,909</u>	3.1	<u>18,347,069</u>	3.1
Total net position	<u>\$139,918,170</u>	<u>\$121,374,060</u>	15.3	<u>\$102,418,687</u>	18.5

Comments

- Total assets increased 8.6% or \$28,071,606 and 8.1% or \$24,523,566 at June 30, 2020 and June 30, 2019 as compared to prior years, respectively. The increase in investments accounts for most of the increase in total assets in both 2020 and 2019. The Pool historically reinvests interest payments in new securities as they are received during the year as well as periodically allocating new funds to investments when able. Fair value adjustments favorably impacted investment balances in 2020 and 2019.
- Total liabilities increased 4.6% or \$9,527,496 and 2.8% or \$5,568,193 at June 30, 2020 and June 30, 2019 as compared to the prior years, respectively. The majority of the changes in both years results from changes in loss reserves which are based on actuarial analyses that reflect recent settlements, claim frequency, and other economic and social factors.
- Total net position increased 15.3% or \$18,544,110 and 18.5% or \$18,955,373 at June 30, 2020 and at June 30, 2019 as compared to prior years, respectively. Net position consists of: amounts invested in capital assets, net of related debt; amount unrestricted for the Pool's general operations; and amount restricted for regulatory requirements. The establishment of the restricted amount is required by the State Corporation Commission Bureau of Insurance of the Commonwealth of Virginia (the Commission) regulations. Net position classified as restricted may only be used with the Commission's approval. See Note E. Restricted net position increased \$585,057 and \$559,840 for the years ended June 30, 2020 and 2019, respectively, in accordance with the Commission's regulations.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2020 and 2019

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2020-2019 Percentage change</u>	<u>2018</u>	<u>2019-2018 Percentage change</u>
Operating revenues					
Member contributions	\$ 58,509,432	\$ 55,984,027	4.5%	\$ 54,718,384	2.3%
Miscellaneous Income, net	<u>249,547</u>	<u>205,239</u>	21.6	<u>91,697</u>	123.8
Total Operating revenues	<u>58,758,979</u>	<u>56,189,266</u>	4.6	<u>54,810,081</u>	2.5
Operating expenses:					
Provision for losses and loss adjustment expense	38,920,451	37,999,486	2.4	40,243,675	(5.6)
Program administration costs	11,439,710	11,270,664	1.5	11,071,931	1.8
Reinsurance premiums	<u>10,195,156</u>	<u>9,747,562</u>	4.6	<u>9,533,805</u>	2.2
Total operating expenses	<u>60,555,317</u>	<u>59,017,712</u>	2.61	<u>60,849,411</u>	(3.0)
Operating income/(loss)	<u>(1,796,338)</u>	<u>(2,828,446)</u>	(36.5)	<u>(6,039,330)</u>	(53.2)
Nonoperating revenues:					
Investment income	9,256,650	8,945,197	3.5	8,305,543	7.7
Net (decrease) increase in fair value of investments	<u>11,793,556</u>	<u>13,538,703</u>	(12.9)	<u>(7,017,753)</u>	(292.9)
Net nonoperating revenues	<u>21,050,206</u>	<u>22,483,900</u>	(6.4)	<u>1,287,790</u>	1,645.9
Non-operating expenses:					
Other nonoperating expenses	<u>709,758</u>	<u>700,081</u>	1.4	<u>696,232</u>	0.6
Non-operating income	<u>20,340,448</u>	<u>21,783,819</u>	(6.6)	<u>591,558</u>	3,582.4
Change in net position	18,544,110	18,955,373	(2.2)	(5,447,772)	(447.9)
Net position:					
Beginning of year	<u>121,374,060</u>	<u>102,418,687</u>	18.5	<u>107,866,459</u>	(5.1)
End of year	<u>\$139,918,170</u>	<u>\$121,374,060</u>	15.3	<u>\$102,418,687</u>	18.5

Comments

- Member contributions increased 4.5% or 2,525,405 during the year ended June 30, 2020 and 2.3% or \$1,265,643 during the year ended June 30, 2019. Member contributions are dependent on numerous factors including member payrolls; payroll classifications; lines of coverage; quantity and value of owned property; member loss experience, as well as underwriting rates. The increases in 2020 and 2019 are attributable to changes in these factors.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2020 and 2019

- Miscellaneous income increased 21.6% or \$44,308 in 2020 and 123.8% or \$113,542 in 2019. Miscellaneous income includes compensation for placing certain coverages with other insurance providers that cannot be written within the Pool, as well as other services provided by the Pool for a fee. The change in miscellaneous income for both years results from the normal fluctuation of these activities.
- Provision for losses increased by 2.4% or \$920,965 for the year ended June 30, 2020 and decreased 5.6% or \$2,244,189 as compared to prior years, respectively. Losses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The provision for losses and loss adjustment expenses in 2020 was \$38,920,451. This represented a loss ratio (losses and loss adjustment expenses incurred divided by net member contributions) of 66.5% for 2020. The provision for losses and loss adjustment expenses in 2019 were \$37,999,486. This represented a loss ratio of 67.9% for 2019. At each year end, a liability is recorded representing the estimated reserve for losses and loss adjustment expenses. As more information subsequently becomes available, changes in the estimated liability are reflected in current operations. Such changes in the estimated reserve for losses and loss adjustment expenses are referred to as development. Favorable (downward) development in the reserves of \$12,061,118 for accident years 2019 and prior emerged in 2020, and \$16,047,634 of favorable development in the reserves for accident years 2018 and prior emerged in 2019. Accordingly, losses and loss adjustment expenses reported in the respective years were adjusted by such development. No one claim attributed significantly to this development.
- Included in the provision for losses is unallocated loss adjustment expense (ULAE). The provision for ULAE increased 130% to \$877,175 for the year ended June 30, 2020 and decreased 25.8% to \$381,545 for the year ended June 30, 2019. ULAE represents the estimated costs to administer claims which remained open as of year-end and for which the Pool has an obligation to handle to closure. Unallocated loss adjustment expenses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The changes in both years are reflective of these factors.
- Program administration costs increased 1.5% or \$169,046 and 1.8% or \$198,733 for the years ended June 30, 2020 and 2019, respectively. Program administration costs consists of all costs necessary to operate the Pool including: salaries and benefits; information technology; travel; postage and supplies; taxes and insurance, as well as program promotion. The increases in 2020 and 2019 are attributable to changes in these costs.
- Reinsurance premiums increased 4.6% or \$447,594 for the year ended June 30, 2020 and 2.2% or \$213,757 for the year ended June 30, 2019. Reinsurance expense is dependent on many factors including the reinsurers' policy limits, the Pool's retention amounts, the Pool's members' exposures as well as the reinsurers' underwriting rates. The change in reinsurance expense in both 2020 and 2019 was a result of changes in these factors. Generally reinsurance costs move inversely to the amount of the claim retention. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2020 and 2019

- Investment income increased 3.5% or \$311,453 for the year ended June 30, 2020 and 7.7% or \$639,654 for the year ended June 30, 2019. Investment income is dependent on many factors including the type and maturity of the investment, the number of securities in the portfolio, the rate at which the investment was originally purchased and the credit worthiness of the issuer. The increase in 2020 and 2019 are attributable to changes in these factors.
- Fair value of investments increased \$11,793,556 in 2020 and \$13,538,703 in 2019. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. The fair value of investments generally moves inversely with changes in interest rates.
- Non-operating expenses increased 1.4% or \$9,677 in 2020 and 0.6% or \$3,849 in 2019. The increase in both years is due primarily to changes in investment fees. Investment fees are based on the fair value of investments as well as the rates charged by the investment manager.

CONTACTING THE POOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide members and creditors with a general overview of the Pool's finances and to demonstrate the Pool's accountability for the money it receives. Persons with questions concerning this report or requests for additional financial information should direct them to Jeffrey Nickey, Deputy Managing Director, P.O. Box 3239, Glen Allen, Virginia 23058, or visit the Pool's website at www.vrsa.us.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Net Position

Assets	As of June 30,	
	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 16,332,116	\$ 17,042,338
Investments	33,295,944	32,942,266
Accounts and contributions receivable	922,659	776,338
Accrued interest receivable	1,465,968	1,560,085
Reinsurance receivable	6,182,876	1,159,872
Prepaid expenses	50,605	10,100
Total current assets	58,250,168	53,490,999
Noncurrent assets:		
Capital Assets		
Building and improvements	4,748,751	4,741,847
Furniture and equipment	3,598,595	3,068,029
Less accumulated depreciation	(3,544,109)	(3,059,969)
	4,803,237	4,749,907
Investments	292,758,857	269,499,750
Restricted deposit	160,000	160,000
Total non-current assets	297,722,094	274,409,657
Total assets	\$ 355,972,262	\$ 327,900,656
Liabilities and Net Position		
Current liabilities:		
Liability for unpaid losses, net	\$ 25,150,877	\$ 26,182,015
Contributions collected in advance	4,897,052	3,714,395
Reinsurance payable	43,473	73,522
Other liabilities	1,522,922	1,338,563
Total current liabilities	31,614,324	31,308,495
Noncurrent liabilities:		
Liability for unpaid losses, net	184,439,768	175,218,101
Total liabilities	216,054,092	206,526,596
Net position:		
Net investment in capital assets	4,803,237	4,749,907
Unrestricted	115,622,967	97,717,244
Restricted by regulation (see Note E)	19,491,966	18,906,909
Total net position	139,918,170	121,374,060
Total liabilities and net position	\$ 355,972,262	\$ 327,900,656

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	<u>2020</u>	<u>2019</u>
Operating revenues:		
Member contributions	\$ 58,509,432	\$ 55,984,027
Miscellaneous income, net	<u>249,547</u>	<u>205,239</u>
Total operating revenues	58,758,979	56,189,266
Operating expenses:		
Provision for losses and loss adjustment expenses	38,920,451	37,999,486
Program administration fees	11,439,710	11,270,664
Reinsurance premiums	<u>10,195,156</u>	<u>9,747,562</u>
Total operating expenses	<u>60,555,317</u>	<u>59,017,712</u>
Operating loss	(1,796,338)	(2,828,446)
Non-operating revenues:		
Investment Income	9,256,650	8,945,197
Net increase in fair value of investments	<u>11,793,556</u>	<u>13,538,703</u>
Total nonoperating revenues	21,050,206	22,483,900
Non-operating expenses	<u>709,758</u>	<u>700,081</u>
Non-operating income, net	<u>20,340,448</u>	<u>21,783,819</u>
Change in net position	18,544,110	18,955,373
Net position at beginning of year	<u>121,374,060</u>	<u>102,418,687</u>
Net position at end of year	<u>\$ 139,918,170</u>	<u>\$ 121,374,060</u>

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from members	\$ 59,545,768	\$ 56,199,225
Payments for reinsurance premiums	(10,225,205)	(9,707,302)
Receipts from reinsured claims	2,053,685	3,140,326
Payments for claims and claims adjustment expenses	(37,806,611)	(37,267,742)
Receipts from miscellaneous income, net	249,547	205,239
Payments for administrative and general expenses	(10,811,716)	(10,607,534)
Net cash provided by operating activities	<u>3,005,468</u>	<u>1,962,212</u>
Cash flows from noncapital financing activities:		
Risk management grants	(295,405)	(300,819)
Net cash used for noncapital financing activities	<u>(295,405)</u>	<u>(300,819)</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(537,470)	(464,360)
Net cash used for capital and related financing activities	<u>(537,470)</u>	<u>(464,360)</u>
Cash flows from investing activities:		
Proceeds from calls and maturities of investments	139,782,167	86,358,783
Purchases of investments	(151,601,396)	(92,987,597)
Investment income	8,936,414	8,590,765
Net cash used for (provided by) investing activities	<u>(2,882,815)</u>	<u>1,961,951</u>
Net change in cash and cash equivalents	(710,222)	3,158,984
Cash and cash equivalents:		
Beginning of year	17,042,338	13,883,354
End of year	<u>\$ 16,332,116</u>	<u>\$ 17,042,338</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating loss	(1,796,338)	(\$2,828,446)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	484,140	465,377
Loss on disposal of property & equipment	-	3,803
Provision for losses	8,190,529	4,868,149
Changes in assets and liabilities:		
Accounts and contributions receivable	(146,321)	(270,317)
Reinsurance receivable	(5,023,004)	(996,079)
Other prepaids and receivables	(40,505)	19,682
Contributions collected in advance	1,182,657	559,290
Reinsurance payable	(30,049)	(33,514)
Other liabilities	184,359	174,267
Net cash provided by operating activities	<u>\$ 3,005,468</u>	<u>\$ 1,962,212</u>
Noncash investing activities:		
Increase in fair value of investments	<u>\$ 11,793,556</u>	<u>\$ 13,538,703</u>

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements

Note A – Organization and Nature of Operations

The Pool is an unincorporated association formed for the purpose of establishing risk management programs in accordance with the laws of the Commonwealth of Virginia. The Pool commenced operations on July 1, 1986 as the Virginia Municipal Liability Pool (VMLP) and assumed the name VML Insurance Programs effective July 1, 2010 while simultaneously merging with the Virginia Municipal Group Self Insurance Association (VMGSIA).

On March 14, 2019, The Pool's Board voted to change the name of the Pool from VML Insurance Programs to Virginia Risk Sharing Association effective July 1, 2019. The new name better reflects the Pool's breadth of membership and emphasizes the collaborative nature of public entity risk pooling. For all practical purposes the Pool began using the new name upon passage of the resolution.

The Pool provides commercial general liability, automobile physical damage, automobile liability, property, boiler and machinery, fidelity and crime, law enforcement, public officials', workers compensation, cyber, and Line of Duty Act coverage for political subdivisions of the Commonwealth of Virginia. The Pool also provides excess liability coverage to its members, which is to a large extent reinsured, as approved by the State Corporation Commission, Bureau of Insurance of the Commonwealth of Virginia ("the Commission").

Members may withdraw from the Pool upon thirty (30) days advance written notice to the Board. After a Member has been in the Pool for three (3) consecutive years, the Member may withdraw upon thirty (30) days written notice to the Board and shall be entitled to share in any surplus assets of the fund; upon such termination however, the Member will not receive any refunds of paid contributions, assessments or investment income.

As required by Commission regulations, members of group self-insurance pools may be subject to an assessment for any fund years in which they participated in such pool. Members purchasing workers' compensation coverage are jointly and severally liable to the other members purchasing workers' compensation coverage pursuant to Va. Code § 15.2-2703(C), and membership in the Pool shall not relieve the Member's obligations imposed by Title 65.2 of the Virginia Code as an employer to its employees.

Members of the Pool are not jointly and severally liable for losses which do not arise out of the workers' compensation line of coverage. In addition, a member of the Pool which does not purchase workers' compensation coverage shall not be jointly and severally liable for workers' compensation losses. In the event of the Pool's deficit as to all lines other than workers' compensation coverage, the Pool may require an assessment of all members purchasing coverages other than workers' compensation coverage in the proportion which the contribution of each member bears to the total contributions of all members in the year in which such deficit occurs; provided, however, in no event shall such assessment exceed two (2) times the member's annual contribution.

No such assessments have ever been required during the Pool's existence. Pool members as of June 30, 2020 included 482 cities, towns, counties, and other political subdivisions. Pool membership as of June 30, 2019 included 481 cities, towns, counties, and other political subdivisions.

Effective September 1, 2013 VRSA formed the Virginia Local Government Risk Agency, LLC (VLGRA). VLGRA is a wholly-owned subsidiary of VMLIP, created as a disregarded entity for tax purposes to place certain types of insurance coverage that cannot be written within the Pool. VLGRA is an insurance agency and will be primarily used for flood insurance and short term disability.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note A – Organization and Nature of Operations, Continued

On July 1, 2018 the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits of creating a captive include: establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retaining a portion of risk in a historically profitable layer; and addressing unique coverage needs not readily available in the commercial markets.

Currently the Pool utilizes the captive for a portion of the workers compensation and liability lines of coverage. The Pool may expand both the amounts of reinsurance and lines of coverage placed through the captive in the future.

As wholly owned subsidiaries of the Pool, the financial results of VIRSA RE and VLGRA are included in the Pool's CAFR.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Pool follow generally accepted accounting principles ("GAAP") applicable to public entity risk pools, as prescribed by Governmental Accounting Standards Board ("GASB"). The Pool uses the economic resources measurement focus and the accrual basis of accounting and is accounted for as a proprietary fund.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed therein. Significant estimates included in these consolidated financial statements primarily relate to the assumptions and methods used to estimate the liability for unpaid losses as described below.

The industry in which the Pool operates is affected by numerous factors and circumstances, some of which cannot be predicted or controlled. Among them are (1) an insurers' ability to enter into suitable future reinsurance agreements is subject to prevailing conditions in the reinsurance markets which may change risk-retention levels; (2) fluctuations in interest rates affect the value and income yield of an insurer's investment portfolio in the short-term, and often affect default and prepayment rates over time; (3) future inflation may result in ultimate loss settlements different from the amounts originally anticipated; (4) catastrophic or unusual losses, such as the effects of the terrorist attacks of September 11, 2001 and COVID-19 pandemic of 2020, may distort historical experience; and (5) losses may not fully emerge for several years following the year in which the insured event occurred. Should any of these or similar events occur, the Pool's operating results and financial condition may be affected.

Investments

The Pool accounts for its investments in accordance with GASB guidance for accounting and financial reporting for certain investments and for external investment pools. The standard establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the consolidated statements of revenues, expenses, and changes in net position.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Investments, Continued

Investments are stated at fair value based on quoted market prices or a recognized pricing service. Interest income is reported at the stated interest rate and any premium or discounts on debt securities are not amortized.

In accordance with GASB guidance, certain disclosures regarding deposit and investment risks have been provided in Note D.

Fair Value Measurements

GASB has issued guidance for measurement and disclosure of fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3: Prices determined using significant unobservable inputs, in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. These reflect the Pool's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

From time to time, changes in market conditions may result in reclassification of an investment's assigned level within the hierarchy.

Cash and Cash Equivalents

The Pool defines cash and cash equivalents as investments in the Local Government Investment Pool ("LGIP") and all cash and highly liquid investments with original maturities of three months or less.

As of June 30, 2020 and 2019, \$241,965 and \$4,668,159, respectively, of cash and cash equivalents was invested in the LGIP. The fair value of the Pool's position in the LGIP pool is the same as the value of the Pool's shares. The Department of Treasury of the Commonwealth of Virginia manages the LGIP, a fund similar to a money market fund, which invests in bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and U.S. Treasury notes. All LGIP investments may be converted into cash within 90 days. As of June 30, 2020 and 2019, the Pool's investment in the LGIP was rated AAAM by Standards & Poor.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, Continued

The Pool maintains its cash balances at several financial institutions. The Federal Depository Insurance Corporation ("FDIC") secures accounts up to \$250,000 at these institutions. The bank balances exceeding those covered by FDIC are protected under the provisions of the Virginia Security for Public Deposits Act ("the Deposits Act"). Under the Deposits Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool ("the Collateral Pool") in the name of the State Treasury Board.

The State Treasury is responsible for monitoring compliance with the collateralization and reporting requirements of the Deposits Act and for notifying local governments of compliance by banks. If any member financial institution fails, the entire collateral becomes available to satisfy claims of the Collateral Pool. If the value of the Collateral Pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks) of the Collateral Pool. Therefore, these deposits are considered collateralized and as a result, are considered insured.

Capital Assets

The building, furniture, equipment and software are stated at cost as of the date of utilization less accumulated depreciation and amortization. The Pool capitalizes property and equipment greater than \$1,000. Depreciation and amortization is recorded using the straight-line method over the estimated useful lives of the assets. The Pool estimates the useful life of the building to be 40 years, and 3-7 years for furniture, equipment and software.

Classification of Revenues and Expenses

The Pool has classified its revenues and expenses as either operating or non-operating. Operating revenues and expenses relate to insurance premiums and include billing for insurance premiums and payment of claims and excess insurance premiums and program administrative fees. All other revenues and expenses are classified as non-operating and include investment income, the change in fair value of investments, safety grants and other miscellaneous expenses.

Compensated Absences

Employees can carry over a maximum of 60 days of accumulated leave at year end.

Liability for Unpaid Losses

The reserve for losses and loss adjustment expenses ("LAE") is based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The length of time for which such costs must be estimated varies depending on the coverage involved. In estimating the reserve for losses and LAE, management uses the findings of a consulting actuary. Such reserves are presented net of reinsurance recoverable on unpaid losses and LAE. Reinsurance recoverables are not collected until after such losses are paid by the Pool. Estimated amounts of salvage and subrogation are deducted from the liability for unpaid losses. Management believes the reserve for losses and LAE represents its best estimate of the ultimate cost of settling claims. However, because of future events beyond the control of management, such as changes in approved benefit rates, changes in law, judicial interpretations of law or inflation, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Reinsurance

The Pool maintains reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance provides for recovery of losses in excess of the specified retention limit up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to the covered risks.

The Pool evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize exposure to losses from reinsurer insolvencies. In preparing consolidated financial statements, management makes estimates of amounts recoverable from reinsurers, which include consideration of amounts, if any, estimated to be uncollectible by management. Management evaluated the creditworthiness of its reinsurers and determined that no valuation allowance was required as of June 30, 2020 and 2019. In the event that any or all of the reinsuring companies are unable to meet their obligations under existing agreements, the Pool would be liable for such defaulted amounts.

Amounts recoverable from reinsurers for unpaid losses and LAE are estimated in a manner consistent with the reserve for losses and LAE associated with the reinsured policies. Reinsurance recoverables on paid losses and LAE are presented as an asset in the accompanying consolidated statements of net position. Reinsurance recoverable from unpaid losses was \$15,229,922 and \$16,691,308 as of June 30, 2020 and 2019, respectively, and is netted against the liability for unpaid losses on the consolidated statements of net position. The 8.8% decrease in 2020 is due to payments being made on claims. As of June 30, 2020 and 2019, the total reinsurance recoverable on paid losses was \$6,182,876 and \$1,159,872, respectively.

Reinsurance Retention Limits

For workers compensation, the Pool maintained aggregate reinsurance, which limited its aggregate losses for fund years ended June 30, 1981 to 1987 to a specified annual retention level. For all fund years, the Pool has maintained excess of loss coverage per occurrence up to the statutory limit applicable for that fund year. The Pool is fully responsible for the base retention level and the quota share of any amounts above that retention level up to the upper limit. The Pool is reinsured for losses greater than \$750,000 in 2020 and 2019 and \$1,500,000 in 2018.

For liability lines, the Pool maintains an occurrence basis reinsurance agreement related to each particular line of coverage to reduce its exposure to large losses. The property reinsurance includes catastrophe coverage to limit the Pool to damages resulting from a single event.

The Pool's reinsurance provides for recovery of all or a portion of the losses in excess of the retention limits up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to covered risks. For the year ended June 30, 2020, the Pool's retention limits per loss occurrence ranged from \$100,000 to \$1,000,000, depending on the line of coverage. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Reinsurance Retention Limits, Continued

Effective July 1, 2018, the Pool purchased reinsurance from VIRSA RE a wholly owned subsidiary of the Pool. VIRSA RE provides workers compensation and liability reinsurance on a per occurrence basis up to a specified aggregate retention based on the line of coverage being reinsured. For workers compensation, VIRSA RE provides per occurrence coverage up to \$750,000 for claims in excess of \$750,000 up to an aggregate limit of \$1,700,000. For liability, VIRSA RE provides up to \$2,000,000 of per occurrence coverage for claims in excess of \$1,000,000 up to an aggregate limit of \$2,000,000. Liability losses are covered on an 80/20 quota share basis with VIRSA RE assuming 20 percent of the loss and a third party reinsurer assuming 80 percent.

Members' Contributions, Contributions Receivable and Contributions Collected in Advance

Contributions are assessed on an individual member basis in advance of each fund year and are considered to be earned in the fund year to which they apply. Members' contributions for workers compensation are calculated based on rate tables established by the National Council on Workers' Compensation Insurance and loss cost ratings approved by the Commission. Members' contributions for liability lines are calculated based on rates provided by actuaries and reinsurers. All contributions are adjusted, where applicable, for individual member experience. Contributions received prior to the fund year to which they apply are classified as contributions collected in advance on the consolidated statements of net position. Premiums ceded to other companies pursuant to reinsurance agreements have been reported as reinsurance expense.

Accounts and contributions receivable consist primarily of billed premiums not yet collected. Management anticipates no uncollectible accounts, and therefore, has not established an allowance for doubtful accounts.

When the anticipated future losses and loss adjustment expenses exceed the related unearned premium reserve, a premium deficiency reserve is recognized by recording an additional liability for the deficiency. The Pool anticipates investment income as a factor in the premium deficiency reserve calculation. No premium deficiency reserve has been recorded as of June 30, 2020 and 2019.

Income Taxes

The Pool has received a ruling from the Internal Revenue Service that the income of the Pool is excludable from gross income under Section 115 of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not include a provision for federal and state income taxes. Management has concluded that the Pool has properly maintained its exempt status, and there are no uncertain tax positions as of June 30, 2020 and 2019. The Pool is not currently under audit by any tax jurisdiction.

Subsequent Events

The Pool has evaluated subsequent events for disclosure and recognition through December 23, 2020, the date on which these consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

In March 2020 COVID-19 was declared a worldwide health pandemic and has had a significant impact on the global and national economy. The pandemic could have wide ranging impacts on several areas that could result in claims for insurers. The outcomes of those claims will be dependent on many factors some of which are not currently known or may change going forward. As such the pandemic could impact the Pool's financial results this year and beyond.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note C – Affiliated Organizations and Related-Party Transactions

The accompanying consolidated financial statements represent the general operations of the Pool and do not include the operations and financial condition of the Virginia Municipal League (“VML”) and other organizations affiliated with VML. VML receives income as a percentage of collected base premiums as compensation. The Pool pays this fee on an estimated quarterly basis with a final reconciliation at year end. The Pool paid VML \$750,000 for 2020 and \$933,580 for 2019. As of June 30, 2020 and 2019, respectively, administrative fees of \$-0- and \$16,420 were due from VML.

VRSA serves as administrator for the Virginia Local Government Insurance Association – Joint Powers Agreement (VLGIA). The VLGIA is an association of local governments formed for the purpose of cooperatively procuring group life insurance, accident and health insurance and other employee benefits. VLGIA’s governance board is composed of all members of the Members’ Supervisory Board of Virginia Risk Sharing Association. VRSA receives a fee for its services rendered as administrator.

The Pool owns and operates VIRSA RE as a captive reinsurer. VIRSA RE is governed by a Board of Directors appointed by the Pool’s Board. VIRSA RE is domiciled in North Carolina and utilizes a captive manager for services related to its formation, administration and operation. Claims are administered by Pool staff and VIRSA RE pays the Pool a fee for claims and loss control services. VIRSA RE maintains its own general ledger and bank accounts.

Note D – Deposits and Investments

The Pool’s investment policy contains certain provisions and limitations intended to mitigate the Pool’s exposure to various investment risks, such as credit risk (including custodial risk and concentration risk) and interest rate risk. The investment policy provides for limitations on the duration of the Pool’s portfolio, and mandates that all investments comply with relevant state and federal statutes and regulations. The policy also limits investment in certain types of securities.

To minimize credit risk the Pool limits how much of the portfolio can be invested in one issuer. In some cases the Pool further limits how much of the portfolio can be invested in specific issues of any issuer.

Investments at fair value consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Mutual Funds:		
Large Cap Value	\$ 18,006,890	\$ 16,724,557
Bond Funds	13,508,144	11,656,924
Subtotal	<u>31,515,034</u>	<u>28,381,481</u>
Debt Securities:		
US Treasuries	72,490,972	67,369,623
Agencies	5,474,787	5,601,989
Corporates	107,494,598	95,543,274
Municipals	17,216,730	16,312,857
US Agency MBS	61,121,118	56,017,281
Asset Backed	22,375,746	27,037,620
CMO	1,505,966	2,700,003
CMBS	7,019,850	3,637,888
Subtotal	<u>294,699,767</u>	<u>274,220,535</u>
	<u>\$ 326,214,801</u>	<u>\$ 302,602,016</u>

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments, Continued

Restricted deposits in the amount of \$160,000 (see Note J) for the years ended June 30, 2020 and 2019, respectively, are included in the fair value of investments noted above.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. To minimize this risk the Pool maintains a target duration identical to its custom benchmark with a duration range of plus or minus one year of that target.

As of June 30, 2020 and 2019, investments are measured at fair value according to the GASB guidance definitions noted in Note B. The Pool's fixed income investment portfolio is valued based on quoted prices for similar instruments in active markets and is classified as Level 2. Mutual funds are valued at the daily closing price as reported by the fund for the shares held at year end and are classified as Level 1 since the funds are quoted on active markets. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

The fair values of debt securities at June 30, 2020 and 2019, by weighted average life are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations prior to maturity with or without call or prepayment penalties.

	2020				
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
US Treasuries	\$ -	\$ 34,112,617	\$ 38,378,355	\$ -	\$ 72,490,972
Agencies	-	4,156,154	1,318,633	-	5,474,787
Corporates	629,361	28,737,040	73,579,804	4,548,393	107,494,598
Municipals	1,151,550	8,572,755	7,492,425	-	17,216,730
US Agency MBS	-	-	502,039	60,619,079	61,121,118
Asset Backed	-	21,366,906	1,008,840	-	22,375,746
CMO	-	-	-	1,505,966	1,505,966
CMBS	-	-	1,533,020	5,486,830	7,019,850
	<u>\$ 1,780,911</u>	<u>\$ 96,945,472</u>	<u>\$ 123,813,116</u>	<u>\$ 72,160,268</u>	<u>\$ 294,699,767</u>

	2019				
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
US Treasuries	\$ -	\$ 23,972,879	\$ 43,396,744	\$ -	\$ 67,369,623
Agencies	-	3,173,884	2,428,105	-	5,601,989
Corporates	3,056,725	31,492,250	59,867,308	1,126,991	95,543,274
Municipals	1,459,701	8,342,423	6,510,733	-	16,312,857
US Agency MBS	-	-	261,765	55,755,516	56,017,281
Asset Backed	44,359	26,537,898	455,363	-	27,037,620
CMO	-	-	-	2,700,003	2,700,003
CMBS	-	-	1,182,417	2,455,471	3,637,888
	<u>\$ 4,560,785</u>	<u>\$ 93,519,334</u>	<u>\$ 114,102,435</u>	<u>\$ 62,037,981</u>	<u>\$ 274,220,535</u>

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments (Continued)

Included in investments due after one year is an amount restricted for a specific purpose that is equal to the Pool's restricted by regulation net position shown on the consolidated statements of net position. The weighted average life for securities with call options is based on the market price. If the market price is below par, the weighted average life is the maturity date. If the market price is above par, the weighted average life is the call date. For mortgage and asset backed securities with prepayment options, the Pool utilizes projected prepayment speeds based on third party and proprietary models for forecast weighted average life.

Credit Risk

Credit risk is the risk that an issuer or other counterparts to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party.

The following schedule details the credit risk for investments held by the Pool as of June 30:

	Rating	As of June 30, 2020		As of June 30, 2019	
		Amount	Percentage of Portfolio	Amount	Percentage of Portfolio
U.S. Treasuries		\$ 72,490,972	24.60%	\$ 67,369,623	24.57%
Agencies	AA	5,474,787	1.86%	5,601,989	2.04%
Corporates	AAA	662,979	0.23%	611,238	0.22%
Corporates	AA	12,676,197	4.30%	8,532,579	3.11%
Corporates	A	71,257,612	24.18%	62,900,474	22.94%
Corporates	BBB	22,897,810	7.77%	23,498,983	8.57%
Municipals	AAA	-	0.00%	935,000	0.34%
Municipals	AA	14,709,126	4.99%	13,030,064	4.75%
Municipals	A	2,507,604	0.85%	2,347,793	0.86%
U.S. Agency MBS	AA	61,121,118	20.74%	56,017,281	20.43%
Asset Backed	AAA	22,375,746	7.59%	27,037,620	9.86%
CMO	AA	1,505,966	0.51%	2,700,003	0.98%
CMBS	AAA	7,019,850	2.38%	3,637,888	1.33%
		<u>\$ 294,699,767</u>	<u>100.00%</u>	<u>\$ 274,220,535</u>	<u>100.00%</u>

There are no investments in any one issuer that represent 5% or more of total investments excluding investments issued or explicitly guaranteed by the U. S. government.

Concentration of Credit Risk

Concentration risk is the risk of loss attributable to the magnitude of an investment in a single issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Pool's deposits may not be returned. The Pool's deposits are either fully insured by the Federal Deposit Insurance Corporation or protected under the provisions of the Virginia Security for Public Deposits Act, see Note B.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments, Continued

Custodial Credit Risk - Investments

For an investment this is the risk that, in the event of the failure by the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party. The Pool's investment custodian maintains adequate insurance coverage to mitigate custodial credit risk. The investment in mutual funds is not maintained by the Pool's custodian.

The effective duration is used to assess interest rate risk by estimating the sensitivity of fixed income securities to interest rate changes. The effective duration estimates the percentage change in the fair value of an investment (or an investment portfolio) for a one percent change in interest rates. It makes assumptions regarding the most likely timing and amounts of variable cash flows for investments that are highly sensitive to interest rate changes, such as mortgage-backed securities ("MBS"), callable bonds, and variable-rate debt.

The following were the effective durations of investments held by the Pool as of June 30:

	As of June 30, 2020		As of June 30, 2019	
	Fair Value	Effective Duration	Fair Value	Effective Duration
U.S. Treasuries	\$ 72,490,972	4.97	\$ 67,369,623	5.40
Agencies	5,474,787	3.03	5,601,989	3.11
Corporates	107,494,598	5.69	95,543,274	5.10
Municipals	17,216,730	3.73	16,312,857	3.82
U.S. Agency MBS	61,121,118	2.58	56,017,281	3.61
Asset Backed	22,375,746	1.41	27,037,620	1.67
CMO	1,505,966	2.71	2,700,003	2.71
CMBS	7,019,850	5.17	3,637,888	4.99
Total Investments	\$ 294,699,767		\$ 274,220,535	

The effective duration of the custom benchmark at June 30, 2020 and 2019 was 4.26 and 4.31, respectively.

Note E – Net Position

In accordance with regulations of the Commission, at June 30, 2020 and 2019, all net position is to be used for claims, operating expenses, claims costs, establishment of a contingency reserve (restricted by regulation net position), and declaration of dividends. The establishment of a contingency reserve is required by the Commission's regulations. Dividends may be declared and paid at the discretion of the Board subject to approval by the Commission. Net position classified as restricted satisfies the Commission's requirement that 1% or more of the Pool's contributions each year be allocated as a contingency reserve. The Board designated \$585,057 and \$559,840 as additional contingency reserve in 2020 and 2019, respectively. The contingency reserve can be used at the discretion of the Board, including, but not limited to, payment of losses and defense costs, subject to prior approval of the Commission.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note F – Liability for Unpaid Losses, Net

As discussed in Note B, the Pool establishes an estimated liability for unpaid losses for both reported and unreported insured events occurring as of the consolidated statements of financial position date, which include estimates of both future payments of losses and related claim adjustment expenses. This liability for unpaid losses is estimated by an independent actuary based on claims information as of June 30. The Pool does not discount its loss reserves.

The following represents changes in the liability for unpaid losses, net of the effects of reinsurance, during the years ended June 30:

	2020	2019
Liability for unpaid losses, net at beginning of year	\$ 201,400,116	\$ 196,531,968
Provisions for losses:		
Provision for insured events of the current year	50,981,572	54,047,120
Reduction in provision for insured events of prior years	(12,061,121)	(16,047,635)
Total provision for losses	38,920,451	37,999,485
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	12,134,920	14,410,525
Claims and claims adjustment expenses attributable to insured events of the prior years	18,595,002	18,720,812
Total payments	30,729,922	33,131,337
Liability for unpaid losses, net, at end of year	\$ 209,590,645	\$ 201,400,116

As a result of changes in estimates related to insured events in prior years, the applicable provisions for claims and claims adjustment expenses were adjusted as indicated in the table above. No individual significant event was responsible for a large portion of the adjustments. In general, during the year ended June 30, 2020, fund years 2014-2015 through 2018-2019 experienced favorable development of \$9,515,470 with 2016-2017. Generally, more recent years tend to have a greater development, both favorable and unfavorable, than older years. Such changes result from re-estimation of claims and claims adjustment expenses as the result of claim settlements during the current year and as additional information is received regarding specific claims and loss development trends.

As of June 30, 2020 and June 30, 2019, the Pool had purchased a total of \$2,731,297 in annuity contracts from third parties in the name of claimants. No new purchases were made in 2020 or 2019. Purchase of annuity contracts removes the associated liabilities from the liability for unpaid losses.

Virginia Risk Sharing Association and Subsidiaries
Notes to Consolidated Financial Statements, Continued

Note G – Capital Assets

Capital asset activity for the years ended June 30, 2020 and 2019 was as follows:

Capital assets as of June 30, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 4,741,847	\$ 6,904	\$ -	\$ 4,748,751
Furniture and equipment	<u>3,068,029</u>	<u>530,566</u>	<u>-</u>	<u>3,598,595</u>
Total capital assets, being depreciated	<u>7,809,876</u>	<u>537,470</u>	<u>-</u>	<u>8,347,346</u>
Less accumulated depreciation for:				
Building and improvements	(1,189,401)	(124,288)	-	(1,313,689)
Furniture and equipment	<u>(1,870,568)</u>	<u>(359,852)</u>	<u>-</u>	<u>(2,230,420)</u>
Total accumulated depreciation	<u>(3,059,969)</u>	<u>(484,140)</u>	<u>-</u>	<u>(3,544,109)</u>
Total capital assets, being depreciated, net	<u>\$ 4,749,907</u>	<u>\$ 53,330</u>	<u>\$ -</u>	<u>4,803,237</u>

Capital assets as of June 30, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 4,741,847	\$ -	\$ -	\$ 4,741,847
Furniture and equipment	<u>2,755,800</u>	<u>464,360</u>	<u>(152,131)</u>	<u>3,068,029</u>
Total capital assets, being depreciated	<u>7,497,647</u>	<u>464,360</u>	<u>(152,131)</u>	<u>7,809,876</u>
Less accumulated depreciation for:				
Building and improvements	(1,066,031)	(123,370)	-	(1,189,401)
Furniture and equipment	<u>(1,676,889)</u>	<u>(342,007)</u>	<u>148,328</u>	<u>(1,870,568)</u>
Total accumulated depreciation	<u>(2,742,920)</u>	<u>(465,377)</u>	<u>148,328</u>	<u>(3,059,969)</u>
Total capital assets, being depreciated, net	<u>\$ 4,754,727</u>	<u>\$ (1,017)</u>	<u>\$ (3,803)</u>	<u>4,749,907</u>

Note H – Capital Leases

The Pool had one capital lease for office equipment. The lease called for monthly payments of \$3,024 through July 2019. In June 2019, the lease was paid in full and the equipment reverted back to the lessor.

No new capital lease agreements were entered into during the years ended June 30, 2020 and 2019.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note I - Contributions Receivable

All estimated contributions must be collected in accordance with the membership agreement and regulations of the Commission. Contributions receivable arise from contribution adjustments as a result of payroll audits conducted after the fiscal year. As of June 30, 2020 and 2019, no allowance for doubtful collection was recorded by the Pool based on management's analysis of contributions receivable.

Note J – Restricted Deposit

In accordance with the Commission's regulations, the Pool maintained on deposit with the Commonwealth of Virginia, a U.S. Treasury note in the amount of \$160,000 as of June 30, 2020 and 2019.

Note K – Commitments and Contingencies

The Pool is involved in various claims and legal actions arising in the ordinary course of business, which are considered in the estimate of the liability for losses and LAE.

Required Supplementary Information

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract Years Ended June 30, 2020 and 2019

2020	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 9,760,987	\$ 12,673,048	\$ 3,296,210	\$ 16,211,838	\$ 3,800,515	\$ 326,188	\$ 283,194	\$ 55,675	\$ 291,930	\$ 15,969,089	\$ 138,731,442	\$ 201,400,116
Provisions for losses:												
Provision for insured events of the current year	3,422,473	5,018,110	1,106,348	9,442,467	5,672,135	460,476	150,866	-	352,020	2,587,200	22,769,477	50,981,572
Increase (reduction) in provision for insured events of prior years	(1,101,648)	1,295,684	824,334	(1,425,292)	(638,571)	(183,256)	(145,544)	-	(75,000)	160,709	(10,772,537)	(12,061,121)
Total provision for losses	2,320,825	6,313,794	1,930,682	8,017,175	5,033,564	277,220	5,322	-	277,020	2,747,909	11,996,940	38,920,451
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,021,315	180,064	16,558	3,665,100	3,659,094	145,646	-	-	65,903	54,406	3,326,834	12,134,920
Claims and claims adjustment expenses attributable to insured events of the prior years	1,288,376	3,476,030	1,613,063	3,265,314	1,049,914	187,573	(18,179)	-	107,321	599,169	7,026,421	18,595,002
Total payments	2,309,691	3,656,094	1,629,621	6,930,414	4,709,008	333,219	(18,179)	-	173,224	653,575	10,353,255	30,729,922
Liability for unpaid losses, net at end of year	\$ 9,772,121	\$ 15,330,748	\$ 3,597,271	\$ 17,298,599	\$ 4,125,071	\$ 270,189	\$ 306,695	\$ 55,675	\$ 395,726	\$ 18,063,423	\$ 140,375,127	\$ 209,590,645

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract Years Ended June 30, 2020 and 2019

2019	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 10,895,310	\$ 11,744,849	\$ 3,671,058	\$ 14,727,708	\$ 4,203,588	\$ 256,854	\$ 351,762	\$ 55,675	\$ 149,014	\$ 20,171,980	\$ 130,304,170	\$ 196,531,968
Provisions for losses:												
Provision for insured events of the current year	3,487,229	3,911,259	1,103,176	10,401,834	5,748,390	501,443	150,433	-	200,577	1,983,162	26,559,617	54,047,120
Increase (reduction) in provision for insured events of prior years	(1,974,503)	115,428	(873,163)	(2,134,491)	(651,973)	(143,695)	(160,528)	150,791	-	(5,483,106)	(4,892,395)	(16,047,635)
Total provision for losses	1,512,726	4,026,687	230,013	8,267,343	5,096,417	357,748	(10,095)	150,791	200,577	(3,499,944)	21,667,222	37,999,485
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,001,720	190,167	928.50	3,648,128	3,860,417	208,407	3,126	-	19,708	110,345	5,367,578	14,410,525
Claims and claims adjustment expenses attributable to insured events of the prior years	1,645,329	2,908,321	603,932	3,135,085	1,639,073	80,007	55,347	150,791	37,953	592,602	7,872,372	18,720,812
Total payments	2,647,049	3,098,488	604,861	6,783,213	5,499,490	288,414	58,473	150,791	57,661	702,947	13,239,950	33,131,337
Liability for unpaid losses, net at end of year	\$ 9,760,987	\$ 12,673,048	\$ 3,296,210	\$ 16,211,838	\$ 3,800,515	\$ 326,188	\$ 283,194	\$ 55,675	\$ 291,930	\$ 15,969,089	\$ 138,731,442	\$ 201,400,116

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to the related provision for losses (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last ten years. The columns of the table show data for successive fund years. The numbered lines in the first column of the table describe the following:

1. This section shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, net earned contribution revenue, and reported investment revenue. Investment revenues include net change in fair value of investments recognized in accordance with Government Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
2. This line shows each fiscal year's other operating costs including overhead and claims expense not allocable to individual claims.
3. This section shows gross incurred claims and allocated claim adjustment expenses, losses ceded to reinsurers, and net incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage under the contract occurred (called fund year).
4. This section shows the cumulative net amounts paid as of the end of successive years for each fund year.
5. This line shows the latest re-estimated amount of losses ceded to reinsurers for each fund year.
6. This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, including estimated excess liability insurance receivable, and revaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally estimated. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

Virginia Risk Sharing Association and Subsidiaries
Required Supplementary Information
Ten-Year Claims Development Information

	Fiscal and Policy Years Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Contribution and investment revenue:										
Earned	\$ 79,809,185	\$ 78,673,166	\$ 56,097,872	\$ 56,582,646	\$ 65,402,240	\$ 59,354,649	\$ 65,320,015	\$ 56,320,239	\$ 66,936,501	\$ 60,949,772
Ceded	<u>10,195,156</u>	<u>9,747,562</u>	<u>9,533,805</u>	<u>10,011,251</u>	<u>10,356,696</u>	<u>10,562,088</u>	<u>10,635,462</u>	<u>9,265,893</u>	<u>9,047,674</u>	<u>7,860,141</u>
Net earned	90,004,341	88,420,728	65,631,677	66,593,898	75,758,936	69,916,737	54,684,554	47,054,346	57,888,827	53,089,632
2. Unallocated expenses	\$ 13,027,183	\$ 12,352,291	\$ 12,282,399	\$ 22,697,264	\$ 21,245,023	\$ 12,015,708	\$ 11,370,216	\$ 10,507,318	\$ 10,731,036	\$ 9,775,726
3. Estimated provisions for losses, end of policy year:										
Incurred	\$ 59,292,481	\$ 71,686,309	\$ 65,415,776	\$ 54,705,678	\$ 45,019,287	\$ 44,885,495	\$ 43,950,772	\$ 43,245,717	\$ 46,536,246	\$ 61,339,554
Ceded	<u>9,774,716</u>	<u>3,131,342</u>	<u>2,564,733</u>	<u>967,328</u>	<u>266,239</u>	<u>2,120,574</u>	<u>2,750,772</u>	<u>55,813</u>	<u>2,593,292</u>	<u>20,839,554</u>
Net incurred	49,517,765	68,554,967	62,851,043	53,738,350	44,753,048	42,764,921	41,376,329	43,189,904	43,942,954	40,500,000
4. Paid (cumulative) at end of:										
Policy year	\$ 12,247,158	\$ 14,653,614	\$ 13,551,566	\$ 11,770,759	\$ 9,983,946	\$ 10,961,357	\$ 10,058,912	\$ 9,409,823	\$ 10,035,498	\$ 10,181,434
One year later		23,123,301	22,280,385	20,272,518	16,945,629	19,281,435	18,147,983	16,093,672	17,408,359	17,989,983
Two years later			25,981,423	24,313,831	20,725,450	23,889,817	21,564,219	19,987,757	21,687,535	20,642,371
Three years later				26,053,924	23,205,857	24,717,188	23,217,996	22,301,837	23,942,528	22,139,565
Four years later					24,329,532	25,753,567	25,121,314	23,453,565	25,254,427	22,418,236
Five years later						28,348,469	25,614,934	24,136,564	25,839,274	24,015,000
Six years later							26,808,711	24,430,781	26,383,726	23,700,725
Seven years later								24,601,522	26,531,904	23,980,396
Eight years later									26,677,547	24,379,883
Nine years later										24,575,007
5. Reestimated ceded losses and expenses	\$ 9,774,716	\$ 4,623,311	\$ 3,443,472	\$ 2,436,652	\$ 1,051,096	\$ 112,818	\$ 8,276,523	\$ 502,478	\$ 1,390,279	\$ 17,271,373
6. Reestimated provision for losses at end of:										
Policy year	\$ 49,517,765	\$ 68,554,967	\$ 62,851,043	\$ 53,738,350	\$ 44,753,048	\$ 42,764,921	\$ 41,376,329	\$ 43,189,904	\$ 43,942,954	\$ 40,500,000
One year later		50,560,946	48,685,182	48,519,272	41,199,067	41,320,788	39,619,876	36,865,288	41,766,401	39,682,038
Two years later			46,706,989	44,927,773	38,318,801	40,296,443	37,563,095	36,650,001	38,360,262	36,887,556
Three years later				41,952,147	36,030,304	38,875,204	35,983,021	35,137,465	36,723,219	33,775,163
Four years later					34,609,790	36,399,974	34,548,027	34,673,181	36,330,329	31,337,995
Five years later						35,834,615	33,468,317	33,548,664	33,920,912	32,036,093
Six years later							34,075,732	32,066,645	32,991,618	30,799,794
Seven years later								31,322,449	32,279,756	30,295,313
Eight years later									31,783,677	29,382,876
Nine years later										29,183,403
7. Increase (decrease) in provision for losses from end of policy year		\$ (17,994,021)	\$ (16,144,054)	\$ (11,786,203)	\$ (10,143,258)	\$ (6,930,306)	\$ (7,300,597)	\$ (11,867,455)	\$ (12,159,277)	\$ (11,316,597)

See accompanying independent accountants report.

Other Supplementary Information

Virginia Risk Sharing Association and Subsidiaries
Other Supplementary Information
Consolidated Schedule of Revenue and Expenses by Line of Coverage
Year Ended June 30, 2020

	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity and crime	Excess liability	Cyber	LODA	Workers compensation	Total
Revenue:												
Member contributions	\$2,738,630	\$ 2,171,271	\$1,103,057	\$7,834,492	\$14,597,598	\$ 998,235	\$ 295,818	\$ 2,440,877	\$ 436,175	\$3,562,172	\$22,331,107	\$58,509,432
Miscellaneous income, net	10,823	8,581	4,359	30,962	30,480	2,267	1,169	2,623	1,384	14,078	142,821	249,547
Investment income	524,701	415,999	211,337	1,501,029	1,477,669	109,889	56,676	127,187	67,117	682,485	4,082,561	9,256,650
Unrealized loss on investments	668,502	530,009	269,257	1,912,406	1,882,643	140,005	72,209	162,044	85,511	869,529	5,201,441	11,793,556
Total revenue	3,942,656	3,125,860	1,588,010	11,278,889	17,988,390	1,250,396	425,872	2,732,731	590,187	5,128,264	31,757,930	79,809,185
Expenses:												
Provision for losses	2,320,825	6,313,794	1,930,682	8,017,175	5,033,564	277,220	5,322	-	277,020	2,747,909	11,996,940	38,920,451
Program administration fees	708,503	421,072	205,635	1,677,059	1,840,365	124,458	59,819	119,935	106,016	792,492	5,384,356	11,439,710
Excess premiums	-	-	-	-	6,885,035	424,681	-	1,777,036	85,866	-	1,022,538	10,195,156
Nonoperating expenses	40,232	31,897	16,204	115,092	113,301	8,426	4,346	9,752	5,146	52,330	313,032	709,758
Total expenses	3,069,560	6,766,763	2,152,521	9,809,326	13,872,265	834,785	69,487	1,906,723	474,048	3,592,731	18,716,866	61,265,075
Excess (deficiency) of revenue over expenses	\$ 873,096	\$(3,640,903)	\$ (564,511)	\$1,469,563	\$ 4,116,125	\$ 415,611	\$ 356,385	\$ 826,008	\$ 116,139	\$1,535,533	\$13,041,064	\$18,544,110

See accompanying independent accountants report.

Virginia Risk Sharing Association and Subsidiaries



STATISTICAL SECTION

For the Period July 1, 2019 – June 30, 2020

- Change in Net Position
- Net Position by Classification
- Schedule of Revenues and Expenses by Line of Coverage
- Insurance Industry Ratios
- Total Incurred Losses by Line of Coverage
- Claims Development by Line of Coverage
- Reported Claims Analysis by Line of Coverage
- Total Ceded Loss Analysis
- Reinsurance History
- Composition of Membership

OVERVIEW OF THE STATISTICAL SECTION

This statistical section component of the Pool's Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the Pool's economic condition and financial health.

As required by GASB Statement 44, a description of the required contents, if applicable, of this statistical section include:

Financial Trends Data - These schedules contain trend information to help the reader understand how the Pool's financial performance and well-being have changed over time.

Revenue Capacity Data - These schedules contain information to help the reader assess the Pool's most significant revenue sources, membership contributions.

Debt Capacity Data - These schedules present information which help the reader assess the Pool's debt burden. This section is not applicable for the Pool, as the Pool currently has no debt.

Demographic and Economic Information Data - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Pool's financial activities take place.

Operating Information Data - These schedules contain service and infrastructure data to help the reader understand how the information in the Pool's financial report relates to the services the Pool provides and the activities it performs.

Virginia Risk Sharing Association and Subsidiaries
Change in Net Position

All Lines of Coverage Combined

Fiscal Year Ending June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating revenues	\$ 53,168,631	\$ 54,168,836	\$ 53,868,539	\$ 54,905,708	\$ 54,747,549	\$ 53,458,868	\$ 54,282,483	\$ 54,810,081	\$ 56,189,266	\$ 58,758,979
Operating expenses	<u>56,963,973</u>	<u>5,505,468</u>	<u>51,706,667</u>	<u>45,481,754</u>	<u>56,354,536</u>	<u>58,998,937</u>	<u>54,757,777</u>	<u>60,849,411</u>	<u>59,017,712</u>	<u>60,555,317</u>
Operating income / (loss)	(3,795,342)	48,663,368	2,161,872	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)
Total non-operating revenue and expenses	<u>7,146,299</u>	<u>12,122,286</u>	<u>1,725,807</u>	<u>9,687,825</u>	<u>3,900,735</u>	<u>11,119,535</u>	<u>1,544,328</u>	<u>591,558</u>	<u>21,783,819</u>	<u>20,340,448</u>
Change in net position	<u>\$ 3,350,957</u>	<u>\$ 60,785,654</u>	<u>\$ 3,887,679</u>	<u>\$ 19,111,779</u>	<u>\$ 2,293,748</u>	<u>\$ 5,579,466</u>	<u>\$ 1,069,034</u>	<u>\$ (5,447,772)</u>	<u>\$ 18,955,373</u>	<u>\$ 18,544,110</u>

Operating Revenue

Fiscal Year Ending June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contributions	\$ 52,862,974	\$ 54,020,382	\$ 53,721,867	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432
Miscellaneous income, net	305,557	148,454	146,672	134,269	221,108	163,386	138,536	91,697	205,239	249,547
	<u>\$ 53,168,531</u>	<u>\$ 54,168,836</u>	<u>\$ 53,868,539</u>	<u>\$ 54,905,708</u>	<u>\$ 54,747,549</u>	<u>\$ 53,458,868</u>	<u>\$ 54,282,483</u>	<u>\$ 54,810,081</u>	<u>\$ 56,189,266</u>	<u>\$ 58,758,979</u>

Operating Expenses

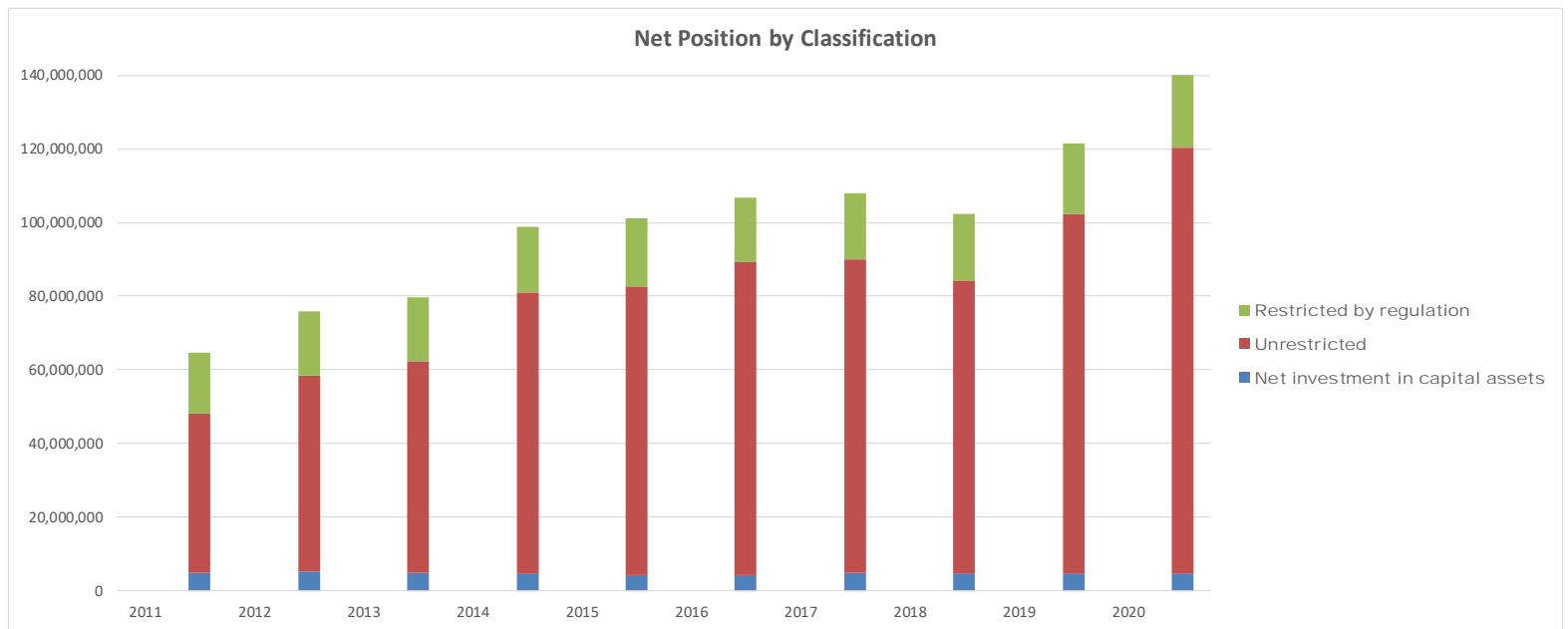
Fiscal Year Ending June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ceded reinsurance	\$ 7,860,141	\$ 9,047,674	\$ 9,265,892	\$ 10,635,462	\$ 10,562,088	\$ 10,356,696	\$ 10,011,251	\$ 9,533,805	\$ 9,747,562	\$ 10,195,156
Program administrative costs	8,674,642	9,102,667	8,765,900	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710
Provision for losses & LAE	40,429,190	36,925,127	33,674,875	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451
	<u>\$ 56,963,973</u>	<u>\$ 55,075,468</u>	<u>\$ 51,706,667</u>	<u>\$ 45,481,754</u>	<u>\$ 56,354,536</u>	<u>\$ 58,998,937</u>	<u>\$ 54,757,777</u>	<u>\$ 60,849,411</u>	<u>\$ 59,017,712</u>	<u>\$ 60,555,317</u>

Non-Operating Revenue and Expenses

Fiscal Year Ending June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investment income	\$ 8,120,678	\$ 8,378,259	\$ 7,917,366	\$ 7,195,198	\$ 7,175,278	\$ 7,838,810	\$ 7,980,980	\$ 8,305,543	\$ 8,945,197	\$ 9,256,650
Unrealized gains / (losses)	(339,436)	4,389,407	(5,483,895)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556
Other expenses	634,943	645,380	708,664	702,221	706,365	823,838	755,836	696,232	700,081	709,758
	<u>\$ 7,146,299</u>	<u>\$ 12,122,286</u>	<u>\$ 1,724,807</u>	<u>\$ 9,687,825</u>	<u>\$ 3,900,735</u>	<u>\$ 11,119,535</u>	<u>\$ 1,544,328</u>	<u>\$ 591,558</u>	<u>\$ 21,783,819</u>	<u>\$ 20,340,448</u>

Virginia Risk Sharing Association and Subsidiaries Net Position by Classification

Fiscal Year Ending June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net investment in capital assets	\$ 5,007,648	\$ 5,243,674	\$ 5,021,022	\$ 4,816,870	\$ 4,525,562	\$ 4,378,285	\$ 4,890,570	\$ 4,717,005	\$ 4,749,907	\$ 4,803,237
Unrestricted	43,211,301	53,372,641	57,278,282	76,046,499	78,086,291	85,160,694	85,176,003	79,354,613	97,717,244	115,622,967
Restricted by regulation	16,490,150	17,308,438	17,513,128	18,060,842	18,606,106	17,258,446	17,799,886	18,347,069	18,906,909	19,491,966
Change in net position	<u>\$ 64,709,099</u>	<u>\$ 75,924,753</u>	<u>\$ 79,812,432</u>	<u>\$ 98,924,211</u>	<u>\$ 101,217,959</u>	<u>\$ 106,797,425</u>	<u>\$ 107,866,459</u>	<u>\$ 102,418,687</u>	<u>\$ 121,374,060</u>	<u>\$ 139,918,170</u>



Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenues and Expenses by Line of Coverage

All Lines of Coverage Combined

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 52,862,974	\$ 54,020,382	\$ 53,721,867	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432
Ceded reinsurance	7,860,141	9,047,674	9,265,892	10,635,462	10,562,088	10,356,696	10,011,251	9,533,805	9,747,562	10,195,156
Net premiums	45,002,833	44,972,708	44,455,975	44,135,977	43,964,353	42,938,786	44,132,696	45,184,579	46,236,465	48,314,276
Miscellaneous Income, net	305,557	148,454	146,672	134,269	221,108	163,386	138,536	91,697	205,239	249,547
Program administrative costs	8,674,642	9,102,667	8,765,900	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710
Provision for loss & LAE	40,429,190	36,925,127	33,674,875	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451
Operating revenue/(loss)	(3,795,442)	(906,632)	2,161,872	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)
Investment income	8,120,678	8,378,259	7,917,366	7,195,198	7,175,278	7,838,810	7,980,980	8,305,543	8,945,197	9,256,650
Unrealized gain/(loss)	(339,436)	4,389,407	(5,482,895)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556
Non-operating income	7,781,242	12,767,666	2,434,471	10,390,046	4,607,100	11,943,373	2,300,163	1,287,791	22,483,900	21,050,206
Other expenses	634,943	645,380	708,663	702,221	706,365	823,838	755,835	696,232	700,081	709,758
Non-operating revenue/(loss)	7,146,299	12,122,286	1,725,808	9,687,825	3,900,735	11,119,535	1,544,328	591,558	21,783,819	20,340,448
Change in net position	3,350,858	11,215,654	3,887,680	19,111,779	2,293,748	5,579,466	1,069,034	(5,447,772)	18,955,373	18,544,110
Beginning net position balance	61,358,241	64,709,099	75,924,753	79,812,433	98,924,211	101,217,960	106,797,426	107,866,459	102,418,688	121,374,060
Ending net position balance	\$ 64,709,099	\$ 75,924,753	\$ 79,812,433	\$ 98,924,211	\$ 101,217,960	\$ 106,797,426	\$ 107,866,459	\$ 102,418,688	\$ 121,374,060	\$ 139,918,170

Workers Compensation

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 22,182,244	\$ 21,884,810	\$ 20,299,909	\$ 20,919,822	\$ 20,351,394	\$ 20,083,515	\$ 20,054,717	\$ 20,845,868	\$ 21,035,289	\$ 22,331,107
Ceded reinsurance	1,054,901	1,966,676	1,012,205	1,518,664	1,610,256	1,327,043	1,021,186	846,297	1,067,384	1,022,538
Net premiums	21,127,343	19,918,134	19,287,704	19,401,158	18,741,138	18,756,472	19,033,531	19,999,571	19,967,905	21,308,569
Miscellaneous Income, net	278,474	148,454	141,186	127,906	207,168	155,436	72,500	41,924	110,569	142,821
Program administrative costs	4,027,201	4,081,541	3,882,244	4,576,250	4,828,797	4,801,354	4,963,117	4,842,347	5,080,541	5,384,356
Provision for loss & LAE	22,447,247	21,007,440	20,149,216	16,863,036	20,721,770	23,195,073	10,371,614	11,811,592	21,667,221	11,996,940
Operating revenue/(loss)	(5,068,631)	(5,022,393)	(4,602,570)	(1,910,223)	(6,602,260)	(9,084,519)	3,771,300	3,387,556	(6,669,288)	4,070,094
Investment income	3,812,390	3,710,679	3,435,034	3,162,843	3,058,680	3,424,140	3,442,034	3,676,195	3,863,117	4,082,561
Unrealized gain/(loss)	(159,354)	1,944,041	(2,378,813)	1,404,381	(1,094,764)	1,792,950	(2,450,020)	(3,106,193)	5,846,890	5,201,441
Non-operating income	3,653,036	5,654,720	1,056,221	4,567,225	1,963,916	5,217,091	992,014	570,001	9,710,007	9,284,002
Other expenses	298,085	285,835	297,707	295,083	301,109	359,868	325,976	308,166	302,341	313,032
Non-operating revenue/(loss)	3,354,951	5,368,885	758,514	4,272,141	1,662,807	4,857,223	666,037	261,835	9,407,666	8,970,970
Change in net position	\$ (1,713,679)	\$ 346,492	\$ (3,844,056)	\$ 2,361,919	\$ (4,939,453)	\$ (4,227,297)	\$ 4,437,337	\$ 3,649,391	\$ 2,738,378	\$ 13,041,064

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

LODA

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ -	\$ 367,550	\$ 1,027,395	\$ 1,485,866	\$ 1,805,629	\$ 2,003,715	\$ 2,417,481	\$ 2,349,383	\$ 2,737,991	\$ 3,562,172
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	-	367,550	1,027,395	1,485,866	1,805,629	2,003,715	2,417,481	2,349,383	2,737,991	3,562,172
Miscellaneous Income, net	-	-	-	382	998	1,083	9,529	1,904	9,868	14,078
Program administrative costs	-	70,406	176,986	271,697	344,564	397,405	951,094	921,546	397,587	792,492
Provision for loss & LAE	-	-	1,064,382	704,989	1,223,449	927,454	7,156,141	10,076,981	(3,499,944)	2,747,909
Operating revenue/(loss)	-	297,144	(213,973)	509,562	238,614	679,938	(5,680,224)	(8,647,240)	5,850,215	35,849
Investment income	-	68,473	182,973	242,231	294,691	365,794	437,179	431,849	529,709	682,485
Unrealized gain/(loss)	-	35,873	(126,712)	107,557	(105,476)	191,537	(311,181)	(364,890)	801,723	869,529
Non-operating income	-	104,346	56,261	349,788	189,215	557,331	125,997	66,959	1,331,432	1,552,014
Other expenses	-	5,275	16,776	24,458	29,011	38,444	41,403	36,201	41,457	52,330
Non-operating revenue/(loss)	-	99,071	39,485	325,330	160,204	518,887	84,595	30,758	1,289,975	1,499,684
Change in net position	\$ -	\$ 396,215	\$ (174,488)	\$ 834,892	\$ 398,819	\$ 1,198,825	\$ (5,595,630)	\$ (8,616,482)	\$ 7,140,191	\$ 1,535,533

Property & Liability, Overall

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 30,680,730	\$ 31,768,022	\$ 32,394,563	\$ 32,365,751	\$ 32,369,418	\$ 31,208,252	\$ 31,671,749	\$ 31,523,133	\$ 32,210,747	\$ 32,616,153
Ceded reinsurance	6,805,240	7,080,998	8,253,687	9,116,798	8,951,832	9,029,653	8,990,065	8,687,508	8,680,178	9,172,618
Net premiums	23,875,490	24,687,024	24,140,876	23,248,953	23,417,586	22,178,599	22,681,684	22,835,625	23,530,569	23,443,535
Miscellaneous Income, net	27,083	-	5,486	5,981	12,942	6,867	56,506	47,869	84,802	92,648
Program administrative costs	4,647,441	4,950,720	4,706,670	4,780,259	5,148,381	5,062,860	4,838,679	5,308,039	5,792,536	5,262,862
Provision for loss & LAE	17,981,943	15,917,687	12,461,277	7,650,061	13,525,488	14,258,095	16,465,882	18,355,102	19,832,209	24,175,602
Operating revenue/(loss)	1,273,189	3,818,617	6,978,415	10,824,614	4,756,658	2,864,512	1,433,630	(779,646)	(2,009,374)	(5,902,281)
Investment income	4,308,288	4,599,107	4,299,359	3,790,124	3,821,908	4,048,876	4,101,768	4,197,500	4,552,372	4,491,604
Unrealized gain/(loss)	(180,082)	2,409,493	(2,977,370)	1,682,910	(1,367,939)	2,120,075	(2,919,615)	(3,546,670)	6,890,090	5,722,586
Non-operating income	4,128,206	7,008,600	1,321,989	5,473,034	2,453,969	6,168,951	1,182,153	650,831	11,442,461	10,214,190
Other expenses	336,858	354,270	394,180	382,680	376,245	425,526	388,456	351,866	356,284	344,396
Non-operating revenue/(loss)	3,791,348	6,654,330	927,809	5,090,354	2,077,724	5,743,425	793,696	298,965	11,086,177	9,869,794
Change in net position	\$ 5,064,537	\$ 10,472,947	\$ 7,906,224	\$ 15,914,968	\$ 6,834,382	\$ 8,607,937	\$ 2,227,326	\$ (480,681)	\$ 9,076,804	\$ 3,967,513

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

General Liability

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 3,730,343	\$ 3,729,596	\$ 3,658,309	\$ 3,609,788	\$ 3,519,738	\$ 3,077,724	\$ 2,994,970	\$ 2,970,925	\$ 2,908,569	\$ 2,738,630
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	3,730,343	3,729,596	3,658,309	3,609,788	3,519,738	3,077,724	2,994,970	2,970,925	2,908,569	2,738,630
Miscellaneous Income, net	4,231	-	-	929	1,945	953	7,461	6,228	10,482	10,823
Program administrative costs	711,062	926,851	895,958	887,620	931,240	899,561	882,226	891,370	828,012	708,503
Provision for loss & LAE	2,131,034	1,458,701	430,925	148,253	2,224,737	2,002,958	3,521,446	2,656,110	1,512,726	2,320,825
Operating revenue/(loss)	892,478	1,344,044	2,331,426	2,574,843	365,706	176,158	(1,401,240)	(570,327)	578,313	(279,875)
Investment income	673,134	694,811	651,525	588,480	574,445	561,862	541,612	546,097	562,710	524,701
Unrealized gain/(loss)	(28,136)	364,014	(451,191)	261,300	(205,606)	294,203	(385,516)	(461,423)	851,671	668,502
Non-operating income	644,998	1,058,825	200,334	849,780	368,839	856,065	156,096	84,673	1,414,381	1,193,203
Other expenses	52,631	53,521	59,734	59,417	56,551	59,050	51,293	45,778	44,040	40,232
Non-operating revenue/(loss)	592,367	1,005,304	140,600	790,362	312,289	797,015	104,802	38,895	1,370,341	1,152,971
Change in net position	\$ 1,484,845	\$ 2,349,348	\$ 2,472,026	\$ 3,365,206	\$ 677,994	\$ 973,173	\$ (1,296,438)	\$ (531,432)	\$ 1,948,655	\$ 873,096

Public Officials Liability

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 2,580,512	\$ 2,662,686	\$ 2,620,091	\$ 2,544,236	\$ 2,453,796	\$ 2,144,570	\$ 2,041,290	\$ 2,028,047	\$ 2,032,304	\$ 2,171,271
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	2,580,512	2,662,686	2,620,091	2,544,236	2,453,796	2,144,570	2,041,290	2,028,047	2,032,304	2,171,271
Miscellaneous Income, net	2,927	-	5,486	655	1,356	664	5,085	4,251	7,324	8,581
Program administrative costs	491,886	443,646	427,294	428,830	457,397	421,824	359,276	395,480	418,939	421,072
Provision for loss & LAE	2,364,964	1,215,414	2,551,387	1,069,988	1,378,254	2,961,460	(555,876)	3,333,169	4,026,687	6,313,794
Operating revenue/(loss)	(273,411)	1,003,626	(353,104)	1,046,072	619,501	(1,238,050)	2,242,974	(1,696,351)	(2,405,998)	(4,555,014)
Investment income	465,649	496,049	466,624	414,770	400,476	391,508	369,148	372,783	393,182	415,999
Unrealized gain/(loss)	(19,464)	259,882	(323,144)	184,168	(143,339)	205,002	(262,757)	(314,982)	595,088	530,009
Non-operating income	446,185	755,931	143,480	598,938	257,137	596,510	106,391	57,801	988,270	946,008
Other expenses	36,408	38,211	42,782	41,878	39,425	41,146	34,960	31,249	30,772	31,897
Non-operating revenue/(loss)	409,777	717,720	100,698	557,060	217,713	555,363	71,431	26,551	957,498	914,111
Change in net position	\$ 136,366	\$ 1,721,346	\$ (252,406)	\$ 1,603,132	\$ 837,214	\$ (682,687)	\$ 2,314,405	\$ (1,669,799)	\$ (1,448,500)	\$ (3,640,903)

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Law Enforcement Liability

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 1,408,646	\$ 1,417,316	\$ 1,366,735	\$ 1,334,897	\$ 1,322,877	\$ 1,152,922	\$ 1,091,175	\$ 1,044,900	\$ 1,072,880	\$ 1,103,057
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	1,408,646	1,417,316	1,366,735	1,334,897	1,322,877	1,152,922	1,091,175	1,044,900	1,072,880	1,103,057
Miscellaneous Income, net	1,598	-	-	343	731	357	2,718	2,190	3,867	4,359
Program administrative costs	268,510	236,148	222,892	224,996	223,831	203,550	185,026	202,017	218,431	205,635
Provision for loss & LAE	3,088,478	2,900,101	(640,352)	(1,368,929)	611,223	(604,092)	3,769,145	805,427	230,013	1,930,682
Operating revenue/(loss)	(1,946,744)	(1,718,933)	1,784,195	2,479,173	488,554	1,553,822	(2,860,278)	39,647	628,303	(1,028,901)
Investment income	254,188	264,041	243,408	217,619	215,902	210,475	197,329	192,067	207,566	211,337
Unrealized gain/(loss)	(10,625)	138,332	(168,564)	96,628	(77,276)	110,209	(140,457)	(162,287)	314,155	269,257
Non-operating income	243,563	402,373	74,844	314,248	138,627	320,684	56,871	29,780	521,721	480,594
Other expenses	19,875	20,339	22,316	21,973	21,254	22,120	18,688	16,100	16,245	16,204
Non-operating revenue/(loss)	223,688	382,034	52,528	292,275	117,372	298,564	38,183	13,680	505,476	464,390
Change in net position	\$ (1,723,056)	\$ (1,336,899)	\$ 1,836,723	\$ 2,771,448	\$ 605,926	\$ 1,852,385	\$ (2,822,095)	\$ 53,327	\$ 1,133,779	\$ (564,511)

Automobile

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 9,257,227	\$ 9,403,243	\$ 9,341,596	\$ 9,162,033	\$ 8,953,955	\$ 8,181,996	\$ 8,092,621	\$ 8,326,381	\$ 8,867,732	\$ 7,834,492
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	9,257,227	9,403,243	9,341,596	9,162,033	8,953,955	8,181,996	8,092,621	8,326,381	8,867,732	7,834,492
Miscellaneous Income, net	10,501	-	-	2,357	4,948	2,533	20,161	17,454	31,959	30,962
Program administrative costs	1,764,572	1,717,806	1,674,903	1,739,986	1,824,453	1,729,176	1,551,114	1,792,581	2,040,724	1,677,059
Provision for loss & LAE	7,230,943	6,413,867	6,017,276	4,543,371	5,267,814	6,175,320	4,868,939	6,524,559	8,267,343	8,017,175
Operating revenue/(loss)	272,213	1,271,570	1,649,417	2,881,033	1,866,636	280,033	1,692,729	26,696	(1,408,376)	(1,828,780)
Investment income	1,670,450	1,751,791	1,663,687	1,493,626	1,461,346	1,493,687	1,463,474	1,530,503	1,715,607	1,501,029
Unrealized gain/(loss)	(69,823)	917,771	(1,152,128)	663,207	(523,045)	782,125	(1,041,692)	(1,293,195)	2,596,600	1,912,406
Non-operating income	1,600,627	2,669,562	511,559	2,156,833	938,300	2,275,813	421,781	237,307	4,312,207	3,413,435
Other expenses	130,610	134,941	152,533	150,808	143,861	156,982	138,598	128,298	134,269	115,092
Non-operating revenue/(loss)	1,470,017	2,534,621	359,026	2,006,025	794,439	2,118,830	283,184	109,009	4,177,938	3,298,343
Change in net position	\$ 1,742,230	\$ 3,806,191	\$ 2,008,443	\$ 4,887,058	\$ 2,661,075	\$ 2,398,863	\$ 1,975,912	\$ 135,705	\$ 2,769,562	\$ 1,469,563

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Property

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 8,985,238	\$ 9,579,544	\$ 10,513,974	\$ 10,875,910	\$ 11,288,076	\$ 12,190,146	\$ 13,110,014	\$ 12,682,673	\$ 13,123,542	\$ 14,597,598
Ceded reinsurance	3,341,673	3,751,357	4,375,017	5,282,784	5,175,746	5,658,780	6,025,635	5,817,904	6,302,542	6,885,035
Net premiums	5,643,565	5,828,187	6,138,957	5,593,126	6,112,330	6,531,366	7,084,379	6,864,769	6,821,000	7,712,563
Miscellaneous Income, net	6,402	-	-	1,439	3,378	2,022	17,649	14,390	24,582	30,480
Program administrative costs	1,172,151	1,303,897	1,270,994	1,309,506	1,511,441	1,590,781	1,604,842	1,700,291	1,823,129	1,840,365
Provision for loss & LAE	2,905,342	3,178,867	3,969,644	3,043,826	3,711,916	3,489,904	4,570,346	4,366,024	5,096,418	5,033,564
Operating revenue/(loss)	1,572,474	1,345,423	898,319	1,241,233	892,350	1,452,704	926,841	812,844	(73,965)	869,114
Investment income	1,018,369	1,085,772	1,093,316	911,811	997,573	1,192,352	1,281,143	1,261,838	1,319,633	1,477,669
Unrealized gain/(loss)	(42,566)	568,843	(757,136)	404,867	(357,052)	624,340	(911,910)	(1,066,188)	1,997,287	1,882,643
Non-operating income	975,803	1,654,615	336,180	1,316,677	640,522	1,816,692	369,233	195,650	3,316,920	3,360,312
Other expenses	79,624	83,637	100,238	92,063	98,205	125,313	121,330	105,777	103,279	113,301
Non-operating revenue/(loss)	896,179	1,570,978	235,942	1,224,614	542,316	1,691,379	247,903	89,874	3,213,641	3,247,011
Change in net position	\$ 2,468,653	\$ 2,916,401	\$ 1,134,261	\$ 2,465,847	\$ 1,434,667	\$ 3,144,083	\$ 1,174,743	\$ 902,718	\$ 3,139,677	\$ 4,116,125

Boiler & Machinery

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 670,487	\$ 687,668	\$ 730,566	\$ 771,354	\$ 811,366	\$ 867,745	\$ 913,712	\$ 884,471	\$ 911,528	\$ 998,235
Ceded reinsurance	182,316	153,251	185,574	257,559	260,629	356,676	385,867	350,559	381,030	424,681
Net premiums	488,171	534,417	544,992	513,795	550,737	511,069	527,845	533,912	530,498	573,554
Miscellaneous Income, net	554	-	-	132	304	158	1,315	1,119	1,912	2,267
Program administrative costs	93,053	115,426	115,581	100,720	111,118	109,127	107,794	120,348	129,043	124,458
Provision for loss & LAE	226,317	146,146	91,605	277,515	253,245	239,653	90,880	406,806	357,748	277,220
Operating revenue/(loss)	169,355	272,845	337,806	135,692	186,678	162,447	330,487	7,877	45,618	174,143
Investment income	88,090	99,560	97,060	83,761	89,884	93,300	95,456	98,140	102,633	109,889
Unrealized gain/(loss)	(3,682)	52,160	(67,216)	37,192	(32,171)	48,854	(67,945)	(82,923)	155,337	140,005
Non-operating income	84,408	151,720	29,844	120,952	57,713	142,153	27,511	15,217	257,971	249,894
Other expenses	6,888	7,669	8,899	8,457	8,849	9,806	9,040	8,227	8,032	8,426
Non-operating revenue/(loss)	77,520	144,051	20,945	112,495	48,864	132,348	18,471	6,990	249,938	241,468
Change in net position	\$ 246,875	\$ 416,896	\$ 358,751	\$ 248,188	\$ 235,542	\$ 294,795	\$ 348,957	\$ 14,867	\$ 295,557	\$ 415,611

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Fidelity & Crime

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 287,759	\$ 301,670	\$ 301,739	\$ 298,819	\$ 299,304	\$ 300,405	\$ 297,756	\$ 276,779	\$ 279,315	\$ 295,818
Ceded reinsurance	42,808	42,808	41,608	44,828	-	-	-	-	-	-
Net premiums	244,951	258,862	260,131	253,991	299,304	300,405	297,756	276,779	279,315	295,818
Miscellaneous Income, net	278	-	-	65	165	93	742	580	1,007	1,169
Program administrative costs	46,691	64,870	64,769	48,640	56,332	60,274	56,302	57,273	62,944	59,819
Provision for loss & LAE	56,428	604,626	(118,984)	7,512	78,298	(7,109)	201,002	112,023	(10,095)	5,322
Operating revenue/(loss)	142,110	(410,634)	314,346	197,905	164,839	247,333	41,194	108,064	227,472	231,846
Investment income	44,201	48,225	46,328	41,406	48,848	54,841	53,846	50,876	54,038	56,676
Unrealized gain/(loss)	(1,848)	25,265	(32,083)	18,386	(17,484)	28,716	(38,328)	(42,987)	81,787	72,209
Non-operating income	42,353	73,490	14,245	59,792	31,365	83,557	15,519	7,888	135,825	128,885
Other expenses	3,456	3,715	4,248	4,181	4,809	5,764	5,099	4,265	4,229	4,346
Non-operating revenue/(loss)	38,897	69,775	9,997	55,611	26,556	77,794	10,419	3,624	131,596	124,539
Change in net position	\$ 181,007	\$ (340,859)	\$ 324,343	\$ 253,516	\$ 191,395	\$ 325,127	\$ 51,613	\$ 111,687	\$ 359,068	\$ 356,385

Excess Liability

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ 3,760,518	\$ 3,986,299	\$ 3,861,553	\$ 3,768,714	\$ 3,720,306	\$ 3,292,744	\$ 3,130,211	\$ 2,990,185	\$ 2,645,317	\$ 2,440,877
Ceded reinsurance	3,238,443	3,133,582	3,651,488	3,531,627	3,515,457	3,014,197	2,578,563	2,450,333	1,911,469	1,777,036
Net premiums	522,075	852,717	210,065	237,087	204,849	278,547	551,648	539,852	733,848	663,841
Miscellaneous Income, net	592	-	-	61	113	86	1,374	1,132	2,645	2,623
Program administrative costs	99,516	142,076	34,279	39,961	32,568	48,569	92,098	98,440	147,262	119,935
Provision for loss & LAE	(21,563)	(35)	159,776	(71,476)	-	-	-	-	150,791	-
Operating revenue/(loss)	444,714	710,676	16,010	268,663	172,394	230,065	460,924	442,544	438,440	546,529
Investment income	94,207	158,858	37,411	38,651	33,433	50,851	99,760	99,232	141,975	127,187
Unrealized gain/(loss)	(3,938)	83,226	(25,908)	17,162	(11,966)	26,627	(71,009)	(83,846)	214,881	162,044
Non-operating income	90,269	242,084	11,503	55,813	21,466	77,478	28,751	15,386	356,856	289,231
Other expenses	7,366	12,237	3,430	3,902	3,291	5,344	9,448	8,318	11,111	9,752
Non-operating revenue/(loss)	82,903	229,847	8,073	51,910	18,175	72,133	19,304	7,068	345,745	279,479
Change in net position	\$ 527,617	\$ 940,523	\$ 24,083	\$ 320,573	\$ 190,570	\$ 302,198	\$ 480,228	\$ 449,612	\$ 784,184	\$ 826,008

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Cyber

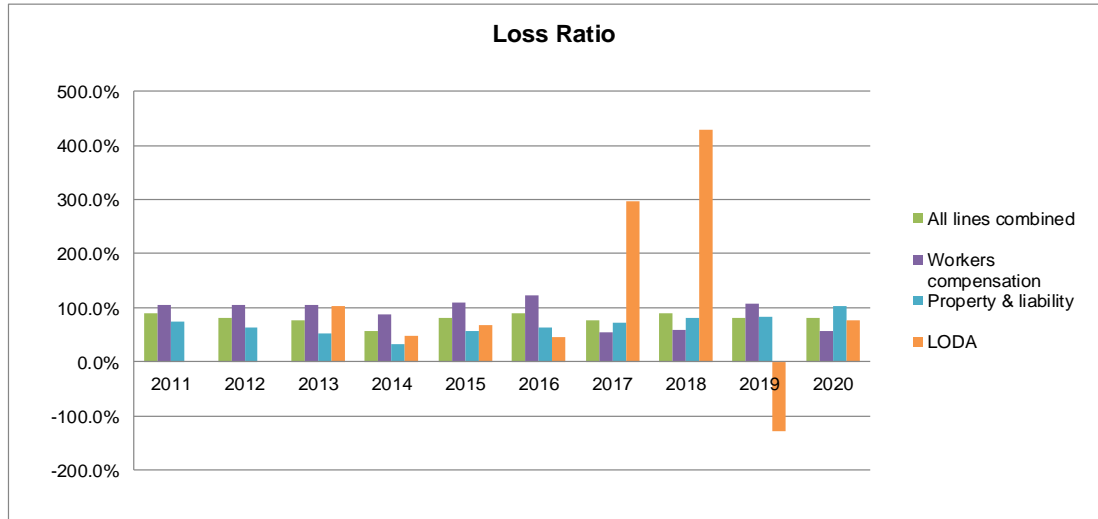
Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Written premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,772	\$ 369,560	\$ 436,175
Ceded reinsurance	-	-	-	-	-	-	-	68,712	85,136	85,866
Net premiums	-	-	-	-	-	-	-	250,060	284,424	350,309
Miscellaneous Income, net	-	-	-	-	-	-	-	524	1,025	1,384
Program administrative costs	-	-	-	-	-	-	-	50,240	124,052	106,016
Provision for loss & LAE	-	-	-	-	-	-	-	150,985	200,577	277,020
Operating revenue/(loss)	-	-	-	-	-	-	-	49,360	(39,181)	(31,343)
Investment income	-	-	-	-	-	-	-	45,964	55,026	67,117
Unrealized gain/(loss)	-	-	-	-	-	-	-	(38,838)	83,283	85,511
Non-operating income	-	-	-	-	-	-	-	7,127	138,310	152,628
Other expenses	-	-	-	-	-	-	-	3,853	4,307	5,146
Non-operating revenue/(loss)	-	-	-	-	-	-	-	3,274	134,003	147,482
Change in net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,634	\$ 94,823	\$ 116,139

Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined

Loss Ratio

Calculation: Provision for loss & LAE / Net Premiums

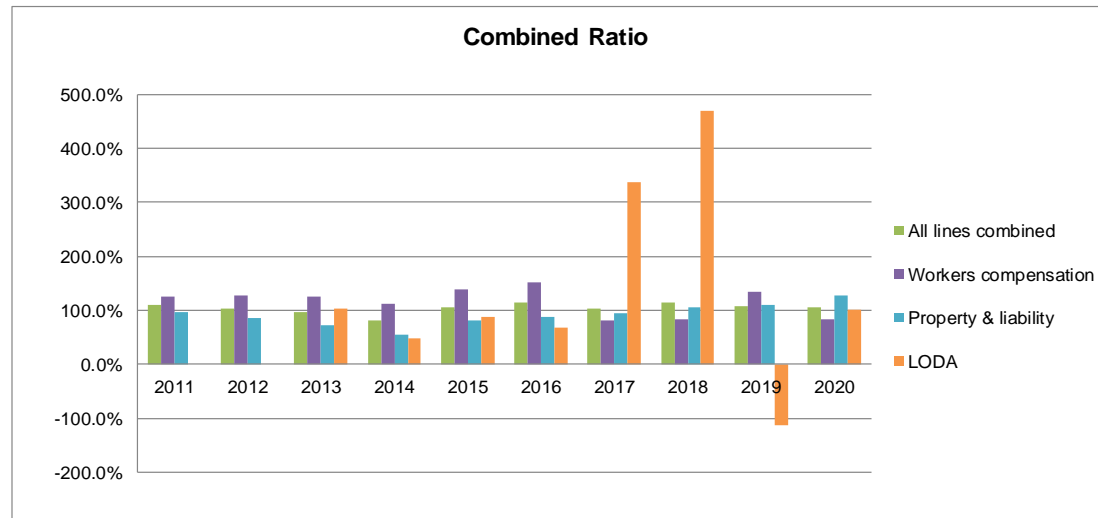
Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All lines combined	89.84%	82.11%	75.75%	57.14%	80.68%	89.38%	77.03%	89.07%	82.19%	80.56%
Workers compensation	106.25%	105.47%	104.47%	86.92%	110.57%	123.66%	54.49%	59.06%	108.51%	56.30%
Property & liability	75.32%	64.48%	51.62%	32.90%	57.76%	64.29%	72.60%	80.38%	84.28%	103.12%
LODA			103.60%	47.45%	67.76%	46.29%	296.02%	428.92%	-127.83%	77.14%



Combined Ratio

Calculation: Loss Ratio + ((Program Admin Costs + Other Expenses) / Net Premiums)

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All lines combined	110.52%	103.78%	97.06%	80.54%	105.76%	115.20%	103.10%	115.11%	108.08%	105.70%
Workers compensation	126.72%	127.40%	126.14%	112.03%	137.94%	151.18%	82.28%	84.81%	135.47%	83.04%
Property & liability	96.19%	85.97%	72.75%	55.11%	81.35%	89.03%	95.64%	105.16%	110.41%	127.04%
LODA			103.60%	47.45%	88.45%	68.04%	337.07%	469.69%	-111.79%	100.86%

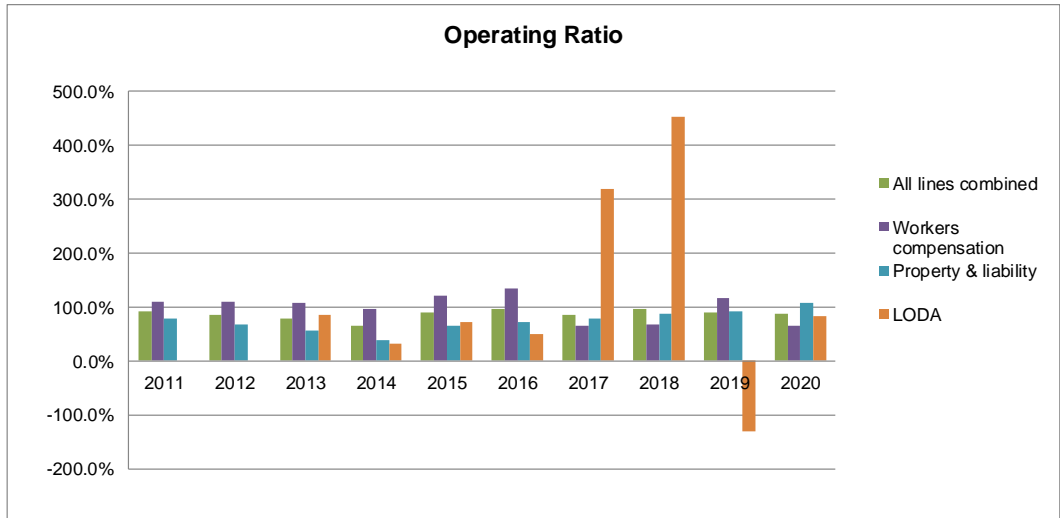


Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

Operating Ratio

Calculation: Combined Ratio - (Investments / Net Premiums)

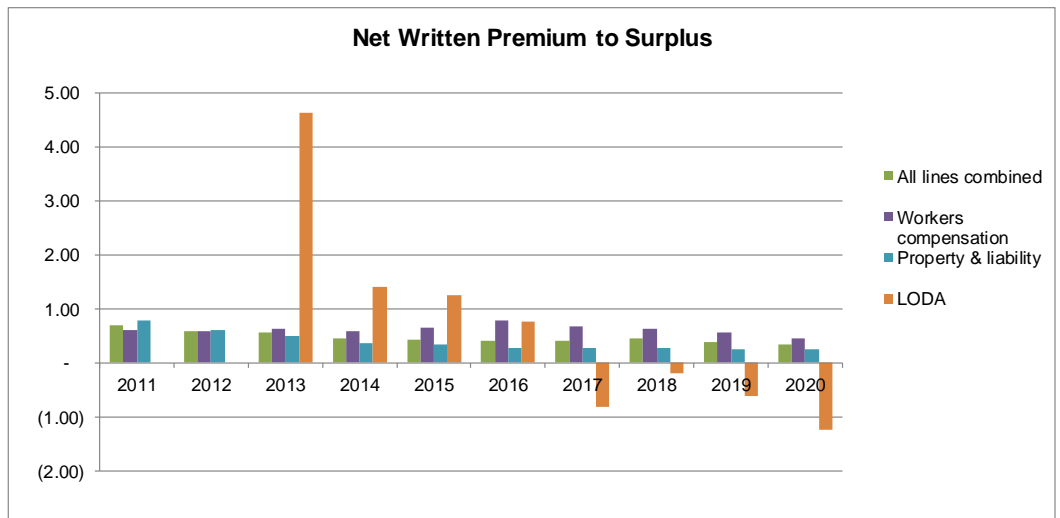
Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All lines combined	92.48%	85.15%	79.25%	64.24%	89.44%	96.95%	85.02%	96.73%	88.73%	86.54%
Workers compensation	108.68%	108.77%	108.33%	95.72%	121.62%	132.93%	64.20%	66.43%	116.12%	63.88%
Property & liability	78.15%	67.34%	54.94%	38.81%	65.03%	70.78%	77.56%	86.78%	91.07%	107.88%
LODA			85.79%	31.14%	72.13%	49.78%	318.99%	451.30%	-131.14%	81.70%



Net written premium to surplus

Calculation: Net Premiums / Ending Net Position

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All lines combined	0.70	0.59	0.56	0.45	0.43	0.40	0.41	0.44	0.38	0.35
Workers compensation	0.61	0.57	0.62	0.58	0.66	0.78	0.66	0.62	0.57	0.44
Property & liability	0.79	0.61	0.50	0.36	0.33	0.28	0.28	0.28	0.26	0.25
LODA			4.63	1.41	1.24	0.75	(0.82)	(0.20)	(0.62)	(1.24)

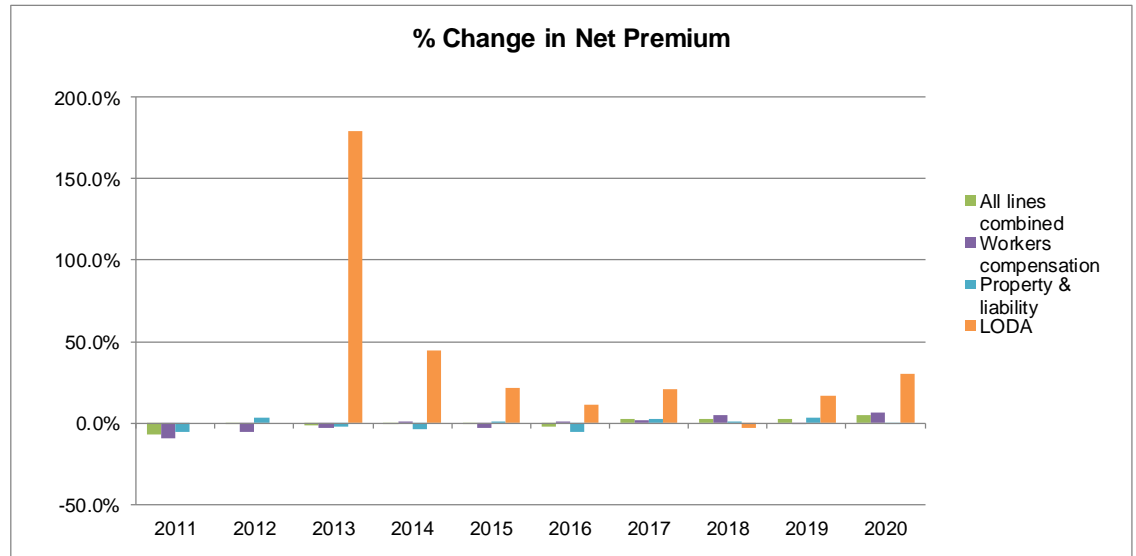


Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

Change in net written premium

Calculation: $-1 + (\text{Current Year Premiums} / \text{Prior Year Premiums})$

Fiscal Year ending June 30,	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All lines combined	-7.31%	-0.07%	-1.15%	-0.72%	-0.39%	-2.33%	2.78%	2.38%	2.33%	4.49%
Workers compensation	-9.43%	-5.72%	-3.17%	0.59%	-3.40%	0.08%	1.48%	5.08%	-0.16%	6.71%
Property & liability	-5.35%	3.40%	-2.21%	-3.69%	0.73%	-5.29%	2.27%	0.68%	3.04%	-0.37%
LODA			179.53%	44.62%	21.52%	10.97%	20.65%	-2.82%	16.54%	30.10%



Virginia Risk Sharing Association and Subsidiaries

Total Incurred Losses by Line of Coverage

	Auto Liability	Auto Physical	Boiler & Machinery	Fidelity & Crime	General Liability	Property/Inland Marine	Public Officials/ Law Enforcement	CYBER	LODA	Workers Compensation	Total All Lines
Total Incurred Losses as of June 30,											
2020	106,665,692	35,891,163	3,953,113	1,520,779	53,789,467	66,076,535	67,844,093	625,000	19,486,656	533,972,234	889,824,732
2019	101,686,887	33,235,168	3,607,151	1,516,323	51,712,198	60,964,420	59,559,405	350,000	16,829,255	522,613,690	852,074,497
2018	95,538,771	30,966,261	3,250,847	1,526,851	50,210,961	55,884,551	55,316,041	150,000	20,138,283	501,456,084	814,438,650
2017	90,751,937	29,358,313	2,846,667	1,415,813	47,560,961	51,554,093	51,212,081	-	10,513,350	489,536,347	774,749,562
2016	87,760,469	27,397,505	2,756,024	1,215,001	44,023,002	47,002,421	48,011,002	-	3,863,004	479,611,795	741,640,223
2015	83,930,769	25,496,345	2,518,261	1,223,370	42,073,002	43,553,479	45,682,539	-	2,942,519	456,725,483	704,145,767
2014	80,281,514	23,735,976	2,271,941	1,147,380	39,973,002	39,956,985	43,807,539	-	1,744,807	436,489,579	669,408,723
2013	77,306,771	22,089,361	1,994,549	1,139,904	39,769,256	36,876,968	44,075,000	-	1,039,904	419,636,544	643,928,257
2012	72,407,080	20,535,790	1,857,063	1,113,009	38,420,719	32,339,982	41,000,001	-	-	399,775,642	607,449,286
2011	68,361,956	19,025,467	1,765,393	672,926	38,078,949	29,956,208	38,300,000	-	-	377,720,189	573,881,088
2010	62,987,270	17,330,589	1,541,380	617,074	35,970,540	27,091,191	32,900,000	-	-	357,064,052	535,502,096
% Change from Prior Year by Line											
2020	4.90%	7.99%	9.59%	0.29%	4.02%	8.39%	13.91%	78.57%	15.79%	2.17%	4.43%
2019	6.44%	7.33%	10.96%	-0.69%	2.99%	9.09%	7.67%	133.33%	-16.43%	4.22%	4.62%
2018	5.27%	5.48%	14.20%	7.84%	5.57%	8.40%	8.01%	-	91.55%	2.43%	5.12%
2017	3.41%	7.16%	3.29%	16.53%	8.04%	9.68%	6.67%	-	172.15%	2.07%	4.46%
2016	4.56%	7.46%	9.44%	-0.68%	4.63%	7.92%	5.10%	-	-	5.01%	5.32%
2015	4.55%	7.42%	10.84%	6.62%	5.25%	9.00%	4.28%	-	-	4.64%	5.19%
2014	3.85%	7.45%	13.91%	0.66%	0.51%	8.35%	-0.61%	-	-	4.02%	3.96%
2013	6.77%	7.57%	7.40%	2.42%	3.51%	14.03%	7.50%	-	-	4.97%	6.01%
2012	5.92%	7.94%	5.19%	65.40%	0.90%	7.96%	7.05%	-	-	5.84%	5.85%
2011	8.53%	9.78%	14.53%	9.05%	5.86%	10.58%	16.41%	-	-	5.78%	7.17%
Total Net Paid Losses as of June 30,											
2020	91,149,055	35,167,339	3,648,738	1,246,332	44,891,780	63,415,312	49,593,291	220,160	2,337,939	401,787,343	693,457,289
2019	87,014,316	32,656,513	3,315,537	1,264,510	42,635,441	58,629,303	44,322,025	59,631	1,684,364	391,434,010	663,015,650
2018	82,015,943	30,542,180	3,027,146	1,206,037	39,989,824	53,129,812	40,617,580	1,971	981,417	378,195,546	629,707,456
2017	78,086,105	28,880,271	2,723,563	1,092,373	37,523,395	47,350,135	37,576,040	-	397,453	364,903,021	598,532,356
2016	74,064,556	26,742,745	2,621,002	921,158	35,000,472	44,871,552	33,812,457	-	304,776	352,289,114	570,627,832
2015	71,319,610	25,205,715	2,401,242	834,135	33,183,639	39,398,685	31,421,471	-	174,177	337,778,903	541,717,577
2014	65,775,331	23,101,284	2,135,121	749,643	31,221,064	36,733,563	28,859,624	-	61,352	323,980,663	512,617,645
2013	60,870,421	21,673,566	1,867,170	749,063	29,040,431	33,535,426	26,490,730	-	6,502	310,681,622	484,914,931
2012	57,209,909	20,318,201	1,758,149	726,389	26,721,630	30,638,886	24,866,878	-	-	296,410,129	458,650,171
2011	52,799,157	18,724,649	1,584,110	542,011	24,605,463	27,125,386	22,994,428	-	-	283,320,697	431,695,901
2010	47,490,515	17,025,296	986,228	409,286	22,051,516	25,657,077	19,808,647	-	-	268,039,095	401,467,660
% Change from Prior Year by Line											
2020	4.75%	7.69%	10.05%	-1.44%	5.29%	8.16%	11.89%	269.20%	38.80%	2.64%	4.59%
2019	6.09%	6.92%	9.53%	4.85%	6.62%	10.35%	9.12%	2925.42%	71.63%	3.50%	5.29%
2018	5.03%	5.75%	11.15%	10.41%	6.57%	12.21%	8.09%	-	146.93%	3.64%	5.21%
2017	5.43%	7.99%	3.91%	18.59%	7.21%	5.52%	11.13%	-	30.41%	3.58%	4.89%
2016	3.85%	6.10%	9.15%	10.43%	5.48%	13.89%	7.61%	-	-	4.30%	5.34%
2015	8.43%	9.11%	12.46%	11.27%	6.29%	7.26%	8.88%	-	-	4.26%	5.68%
2014	8.06%	6.59%	14.35%	0.08%	7.51%	9.54%	8.94%	-	-	4.28%	5.71%
2013	6.40%	6.67%	6.20%	3.12%	8.68%	9.45%	6.53%	-	-	4.81%	5.73%
2012	8.35%	8.51%	10.99%	34.02%	8.60%	12.95%	8.14%	-	-	4.62%	6.24%
2011	11.18%	9.98%	60.62%	32.43%	11.58%	5.72%	16.08%	-	-	5.70%	7.53%
Total Outstanding Losses as of June 30,											
2020	15,516,637	723,824	304,375	274,447	8,897,687	2,661,223	18,250,802	404,840	17,148,717	132,184,891	196,367,443
2019	14,672,571	578,655	291,614	251,813	9,076,577	2,335,117	15,237,380	290,369	15,144,891	131,179,680	189,058,847
2018	13,522,828	424,081	223,701	320,814	10,221,137	2,754,739	14,698,461	148,029	19,156,866	123,260,538	184,731,194
2017	12,665,832	478,042	123,104	323,440	10,037,566	4,203,958	13,636,041	-	10,115,897	124,633,326	176,217,206
2016	13,695,913	654,760	135,022	293,843	9,022,530	2,130,869	14,198,545	-	3,558,228	127,322,681	171,012,391
2015	12,611,159	290,630	117,019	389,235	8,889,363	4,154,794	14,261,068	-	2,768,342	118,946,580	162,428,190
2014	14,506,183	634,692	136,820	397,737	8,751,938	3,232,422	14,947,915	-	1,683,455	112,508,916	156,791,078
2013	16,436,350	415,795	127,379	390,841	10,728,825	3,341,542	17,584,270	-	1,033,402	108,954,922	159,013,326
2012	15,197,171	217,589	98,914	386,620	11,699,089	1,701,096	16,133,123	-	-	103,365,513	148,799,115
2011	15,562,799	300,818	181,283	130,915	13,473,486	2,830,822	15,305,572	-	-	94,399,492	142,185,187
2010	15,496,755	305,293	555,152	207,788	13,919,024	1,434,114	13,091,353	-	-	89,024,957	134,034,436
% Change from Prior Year by Line											
2020	5.75%	25.09%	4.38%	8.99%	-1.97%	13.97%	19.78%	39.42%	13.23%	0.77%	3.87%
2019	8.50%	36.45%	30.36%	-21.51%	-11.20%	-15.23%	3.67%	96.16%	-20.94%	6.42%	2.34%
2018	6.77%	-11.29%	81.72%	-0.81%	1.83%	-34.47%	7.79%	-	89.37%	-1.10%	4.83%
2017	-7.52%	-26.99%	-8.83%	10.07%	11.25%	97.29%	-3.96%	-	184.30%	-2.11%	3.04%
2016	8.60%	125.29%	15.38%	-24.51%	1.50%	-48.71%	-0.44%	-	-	7.04%	5.28%
2015	-13.06%	-54.21%	-14.47%	-2.14%	1.57%	28.89%	-4.59%	-	-	5.72%	3.60%
2014	-11.74%	52.65%	7.41%	1.76%	-18.43%	-3.53%	-14.99%	-	-	3.26%	-1.40%
2013	8.15%	91.09%	28.78%	1.09%	-8.29%	96.43%	8.99%	-	-	5.41%	6.86%
2012	-2.35%	-27.67%	-45.44%	195.32%	-13.17%	-39.91%	5.41%	-	-	9.50%	4.65%
2011	0.43%	-1.47%	-67.35%	-37.00%	-3.20%	97.39%	16.91%	-	-	6.04%	6.08%

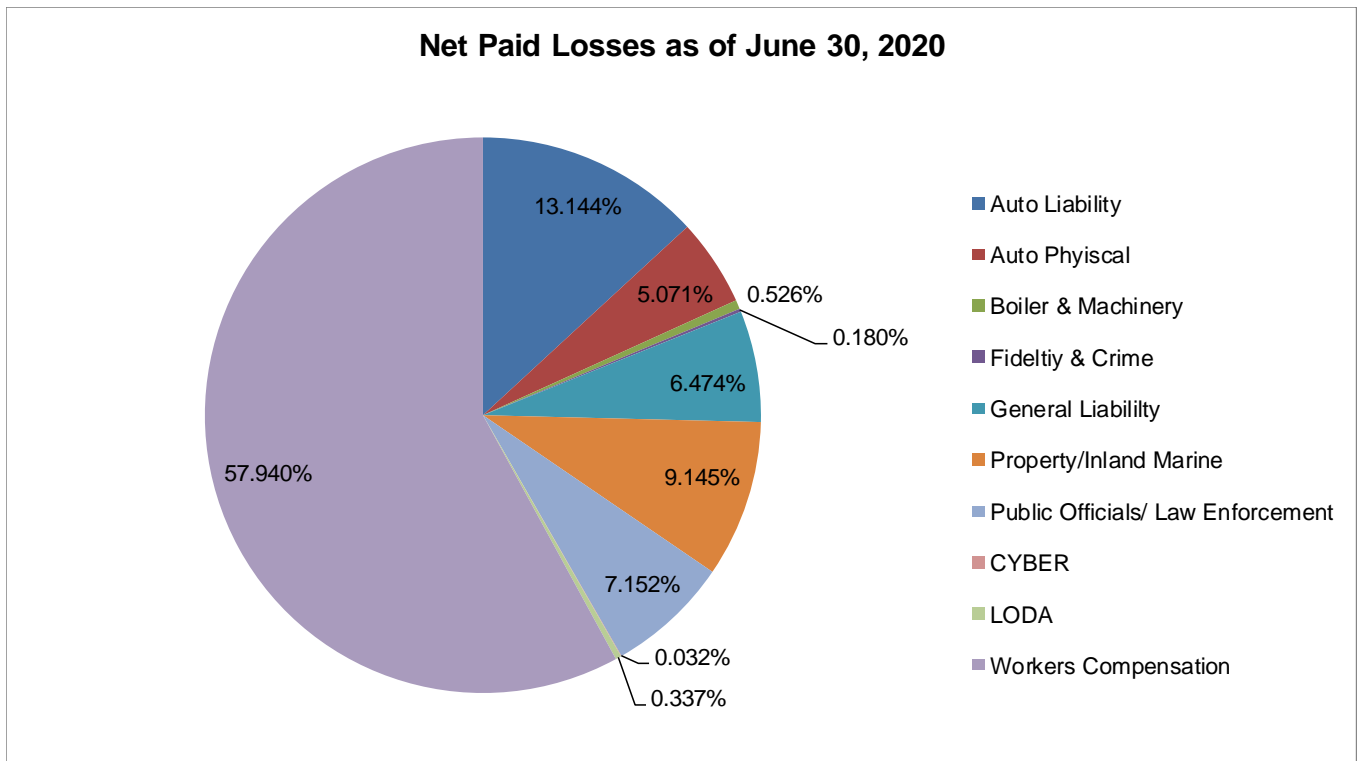
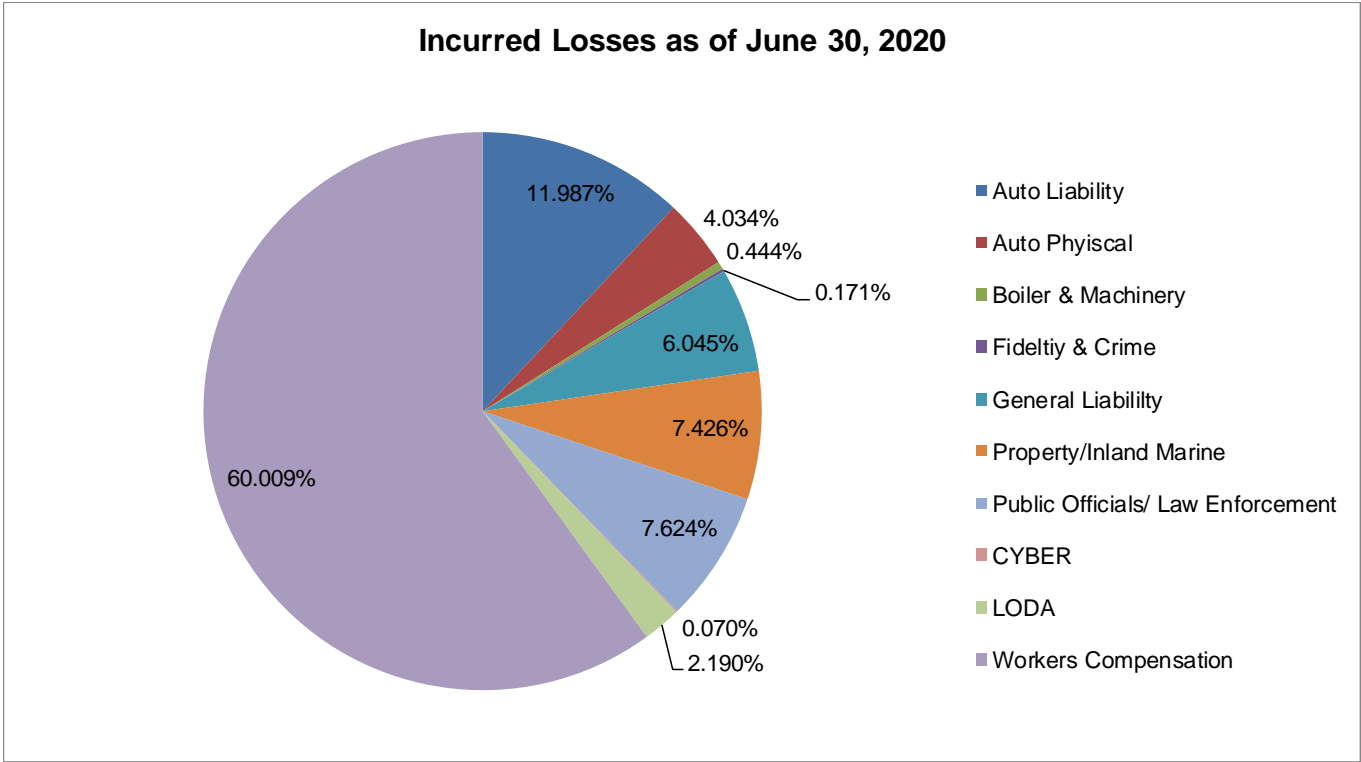
Total incurred losses = Total outstanding losses + Total net paid losses

Total incurred losses = Total estimated cost (paid and unpaid) of all claims as indicated by actuary

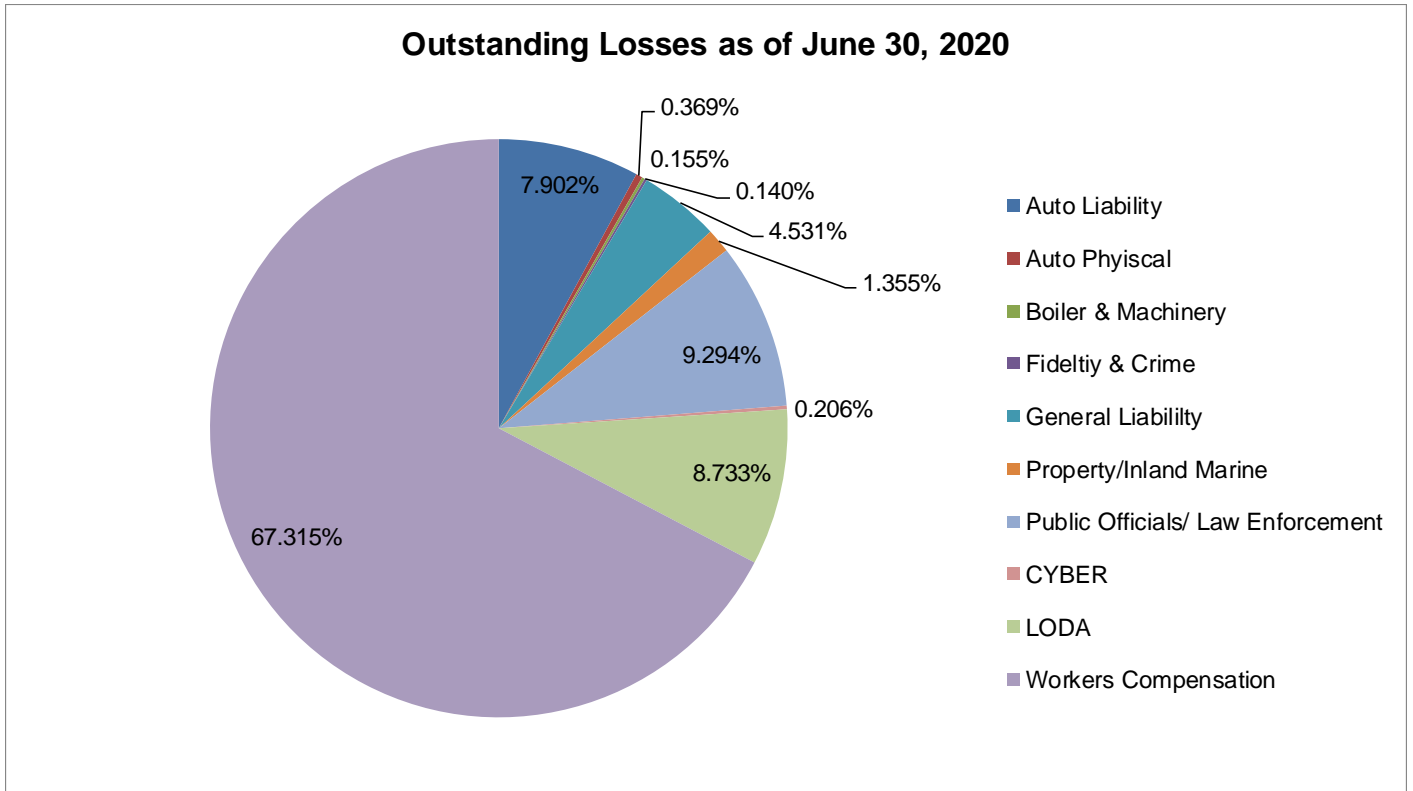
Total outstanding losses = Case reserves on individual claims + incurred but not reported reserves as indicated by actuary

Total net paid losses = Expenses paid on individual claims less recoveries received

Virginia Risk Sharing Association and Subsidiaries
Total Incurred Losses by Line of Coverage, Continued



Virginia Risk Sharing Association and Subsidiaries
Total Incurred Losses by Line of Coverage, Continued



Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage
As of Fiscal and Policy Years Ended June 30,

WORKERS COMPENSATION										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 22,331,107	\$ 21,035,289	\$ 20,845,868	\$ 20,054,717	\$ 20,083,515	\$ 20,351,394	\$ 20,919,822	\$ 20,299,909	\$ 21,884,810	\$ 22,182,244
Ceded	1,022,538	1,067,384	846,297	1,021,186	1,327,043	1,610,256	1,518,664	1,012,206	1,966,676	1,054,901
Net earned	21,308,569	19,967,905	19,999,571	19,033,531	18,756,472	18,741,138	19,401,158	19,287,703	19,918,134	21,127,343
2. Initial estimated total incurred losses										
Incurred	\$ 21,400,000	\$ 29,128,146	\$ 21,099,392	\$ 20,950,000	\$ 24,678,739	\$ 21,250,000	\$ 20,064,438	\$ 21,250,000	\$ 20,519,485	\$ 19,250,000
Ceded	-	3,078,146	249,392	-	178,739	-	314,438	-	269,485	-
Net incurred	21,400,000	26,050,000	20,850,000	20,950,000	24,500,000	21,250,000	19,750,000	21,250,000	20,250,000	19,250,000
3. Paid losses (cumulative)										
Policy year	\$ 3,484,002	\$ 5,366,802	\$ 5,065,356	\$ 4,799,580	\$ 4,113,698	\$ 4,271,153	\$ 4,163,479	\$ 4,489,944	\$ 3,673,834	\$ 4,421,230
One year later		8,659,469	8,978,307	8,815,542	7,385,864	8,497,761	7,727,166	8,423,107	7,806,967	8,891,354
Two years later			9,681,264	10,194,407	9,288,792	9,791,484	9,300,495	10,220,089	9,839,912	10,421,493
Three years later				10,463,830	10,013,751	10,062,087	10,197,695	11,655,391	11,172,894	10,896,971
Four years later					10,151,866	10,233,482	10,336,571	12,013,509	11,973,001	11,102,333
Five years later						10,284,472	10,424,071	12,269,879	12,278,538	11,628,284
Six years later							10,604,137	12,462,290	12,567,085	11,875,507
Seven years later								12,558,910	12,591,561	12,147,520
Eight years later									12,735,938	12,547,007
Nine years later										12,741,604
4. Re-estimated ceded losses	\$ -	\$ 3,529,856	\$ -	\$ -	\$ 32,148	\$ -	\$ -	\$ 292,998	\$ 1,067,423	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 21,400,000	\$ 26,050,000	\$ 20,850,000	\$ 20,950,000	\$ 24,500,000	\$ 21,250,000	\$ 19,750,000	\$ 21,250,000	\$ 20,250,000	\$ 19,250,000
One year later		21,325,000	20,350,000	20,650,000	21,250,000	20,350,000	19,600,000	20,000,000	20,575,000	20,250,000
Two years later			18,000,000	19,400,000	19,800,000	18,950,000	19,100,000	19,550,000	19,450,000	19,500,000
Three years later				17,950,000	18,300,000	18,050,000	18,125,000	19,400,000	19,490,000	18,550,000
Four years later					17,475,000	17,300,000	17,175,000	18,900,000	19,450,000	17,575,000
Five years later						17,075,000	16,425,000	18,200,000	18,700,000	18,100,000
Six years later							16,450,000	17,950,000	18,275,000	18,200,000
Seven years later								17,675,000	18,025,000	18,200,000
Eight years later									17,800,000	17,550,000
Nine years later										17,350,000
6. Increase (decrease) in total incurred losses from end of policy year		\$ (4,725,000)	\$ (2,850,000)	\$ (3,000,000)	\$ (7,025,000)	\$ (4,175,000)	\$ (3,300,000)	\$ (3,575,000)	\$ (2,450,000)	\$ (1,900,000)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

<u>LODA</u>		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1. Premiums											
	Earned	\$ 3,562,172	\$ 2,737,991	\$ 2,349,383	\$ 3,130,211	\$ 2,003,715	\$ 1,805,629	\$ 1,485,866	\$ 1,027,395	\$ 367,550	
	Ceded	-	-	-	-	-	-	-	-	-	
	Net earned	3,562,172	2,737,991	2,349,383	551,648	2,003,715	1,805,629	1,485,866	1,027,395	367,550	
2. Initial estimated total incurred losses											
	Incurred	\$ 2,174,078	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048	\$ 1,114,921	\$ 176,329	\$ 1,039,904	\$ -	
	Ceded	-	-	-	-	-	-	-	-	-	
	Net incurred	2,174,078	2,174,078	6,999,685	4,591,978	553,048	1,114,921	176,329	1,039,904	-	
3. Paid losses (cumulative)											
	Policy year	\$ 54,406	\$ 110,345	\$ 219,524	\$ 23,531	\$ 45,023	\$ 83,348	\$ 5,762	\$ 6,502	\$ -	
	One year later		198,021	458,625	185,197	54,490	135,837	7,190.00	55,589	-	
	Two years later			654,538	346,940	94,113	168,438	8,843.00	83,640	-	
	Three years later				502,641	130,813	223,132	10,031.00	115,073	-	
	Four years later					151,663	273,097	38,231	140,963	-	
	Five years later						322,686	66,431	221,220	-	
	Six years later							93,527	298,113	-	
	Seven years later								360,458	-	
	Eight years later										
	Nine years later										
4. Re-estimated ceded losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5. Re-estimated total incurred losses											
	Policy year	\$ 1,882,768	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048	\$ 1,114,921	\$ 176,329	\$ 1,039,904	\$ -	
	One year later		2,191,747	4,905,477	6,775,214	1,312,126	1,817,715	174,653.00	1,568,478	-	
	Two years later			4,753,146	4,912,842	1,232,883	1,714,104	51,729.00	1,652,945	-	
	Three years later				4,648,516	1,077,914	1,736,889	271,990.00	1,440,512	-	
	Four years later					1,004,319	1,130,925	655,664.00	2,623,152	-	
	Five years later						1,018,304	470,804.00	2,737,948	-	
	Six years later							448,313	2,157,215	-	
	Seven years later								1,965,255	-	
	Eight years later										
	Nine years later										
6. Increase (decrease) in total incurred losses from end of policy year			\$ 17,669	\$ (2,246,539)	\$ 56,538	\$ 451,271	\$ (96,617)	\$ 271,984	\$ 925,351	\$ -	\$ -

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

COMBINED PROPERTY & LIABILITY										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 30,175,276	\$ 29,565,430	\$ 28,532,948	\$ 28,541,538	\$ 27,915,508	\$ 28,649,112	\$ 28,597,037	\$ 28,533,010	\$ 27,781,723	\$ 26,920,212
Ceded	7,395,582	6,768,709	6,237,175	6,411,502	6,015,456	5,436,375	5,585,171	4,602,199	3,947,415	3,566,797
Net earned	22,779,694	22,796,721	22,295,773	22,130,036	21,900,052	23,212,737	23,011,866	23,930,811	23,834,308	23,353,415
2. Initial estimated total incurred losses										
Incurred	\$ 33,791,716	\$ 25,528,908	\$ 27,377,289	\$ 23,842,328	\$ 19,700,000	\$ 22,300,000	\$ 23,886,334	\$ 20,955,813	\$ 26,016,661	\$ 42,089,554
Ceded	9,791,716	53,196	2,315,341	967,328	-	1,900,000	2,436,334	55,813	2,323,807	20,839,554
Net incurred	24,000,000	25,675,712	25,211,948	22,875,000	19,700,000	20,400,000	21,450,000	20,900,000	23,692,854	21,250,000
3. Paid losses (cumulative)										
Policy year	\$ 8,708,751	\$ 9,176,467	\$ 8,266,686	\$ 6,947,648	\$ 5,825,224	\$ 6,606,857	\$ 5,895,432	\$ 4,919,879	\$ 6,361,663	\$ 5,760,205
One year later		\$ 13,425,572	12,843,453	11,271,780	9,505,275	10,647,837	10,413,627	7,670,565	9,591,392	9,098,629
Two years later			\$ 15,645,621	13,772,484	11,342,545	13,929,897	12,254,881	9,684,028	11,847,623	10,220,878
Three years later				\$ 15,087,454	13,061,293	14,431,969	13,011,272	10,531,373	12,769,635	11,242,593
Four years later					\$ 14,026,003	15,246,988	14,746,511	11,299,093	13,281,427	11,315,903
Five years later						\$ 15,523,768	15,124,432	11,645,466	13,560,736	12,386,717
Six years later							\$ 16,111,048	11,670,378	13,816,640	11,825,217
Seven years later								\$ 11,682,155	13,940,343	11,832,876
Eight years later									\$ 13,941,608	11,832,876
Nine years later										\$ 11,833,404
4. Re-estimated ceded losses	\$ 9,774,716	\$ 1,093,455	\$ 3,443,472	\$ 2,436,652	\$ 1,018,948	\$ 1,128,318	\$ 8,276,523	\$ 209,480	\$ 323,524	\$ 17,271,373
5. Re-estimated total incurred losses										
Policy year	\$ 24,000,000	\$ 25,675,712	\$ 25,211,948	\$ 22,875,000	\$ 19,700,000	\$ 20,400,000	\$ 21,450,000	\$ 20,900,000	\$ 23,692,854	\$ 21,250,000
One year later		24,893,444	23,429,705	22,344,459	18,636,941	19,153,073	19,845,223	16,865,288	21,191,401	19,432,038
Two years later			23,953,843	20,614,931	18,032,078	19,632,339	18,411,366	15,447,056	18,910,263	17,387,556
Three years later				19,353,631	16,652,390	17,827,598	17,586,031	14,296,953	17,233,219	15,225,162
Four years later					16,130,471	17,969,049	19,049,602	13,150,029	16,780,329	13,762,994
Five years later						17,741,311	16,572,513	12,399,718	15,220,912	13,811,093
Six years later							17,177,418	11,959,430	14,636,035	12,599,794
Seven years later								11,682,195	14,254,756	13,535,237
Eight years later									13,983,675	11,832,876
Nine years later										11,833,404
6. Increase (decrease) in total incurred losses from end of policy year		\$ (782,268)	\$ (1,782,243)	\$ (2,260,069)	\$ (3,047,610)	\$ (2,430,951)	\$ (4,877,487)	\$ (8,940,570)	\$ (9,438,098)	\$ (9,417,124)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

GENERAL LIABILITY										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 2,738,630	\$ 2,908,569	\$ 2,970,925	\$ 2,994,970	\$ 3,077,724	\$ 3,519,738	\$ 3,609,788	\$ 3,658,309	\$ 3,729,596	\$ 3,730,343
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	2,738,630	2,908,569	2,970,925	2,994,970	3,077,724	3,519,738	3,609,788	3,658,309	3,729,596	3,730,343
2. Initial estimated total incurred losses										
Incurred	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000	\$ 3,500,000	\$ 3,600,000	\$ 3,500,000	\$ 4,000,000	\$ 4,250,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	3,400,000	3,500,000	4,250,000	4,250,000	3,850,000	3,500,000	3,600,000	3,500,000	4,000,000	4,250,000
3. Paid losses (cumulative)										
Policy year	\$ 1,021,315	\$ 1,024,550	\$ 903,473	\$ 1,048,763	\$ 1,136,335	\$ 895,614	\$ 885,529	\$ 1,003,877	\$ 825,548	\$ 1,383,662
One year later		1,446,917	1,499,235	1,537,701	1,655,629	1,175,828	1,533,931	1,403,251	1,230,619	1,699,511
Two years later			1,819,099	1,971,281	2,069,185	1,632,747	1,677,702	1,572,252	1,571,262	1,915,941
Three years later				2,071,828	2,277,227	1,818,193	1,870,556	1,648,562	1,766,396	2,057,128
Four years later					2,579,803	1,947,725	2,173,564	1,716,489	1,852,605	2,090,388
Five years later						2,017,293	2,390,100	1,752,448	2,083,681	2,156,277
Six years later							2,407,506	1,774,695	2,219,465	2,162,369
Seven years later								1,777,271	2,234,832	2,162,369
Eight years later									2,234,832	2,162,369
Nine years later										2,162,369
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000	\$ 3,500,000	\$ 3,600,000	\$ 3,500,000	\$ 4,000,000	\$ 4,250,000
One year later		3,600,000	3,500,000	3,750,000	3,850,000	3,000,000	3,500,000	3,250,000	3,500,000	4,000,000
Two years later			3,200,000	3,500,000	3,500,000	3,100,000	3,000,000	3,000,000	3,250,000	3,500,000
Three years later				3,000,000	3,500,000	2,800,000	3,100,000	2,500,000	2,750,000	3,000,000
Four years later					3,200,000	2,500,000	3,150,000	2,250,000	2,850,000	2,750,000
Five years later						2,500,000	3,150,000	2,200,000	2,600,000	2,500,000
Six years later							3,050,000	2,000,000	2,450,000	2,400,000
Seven years later								1,777,271	2,234,832	2,300,000
Eight years later									2,234,832	2,162,369
Nine years later										2,162,369
6. Increase (decrease) in total incurred losses from end of policy year		\$ 100,000	\$ (1,050,000)	\$ (1,250,000)	\$ (650,000)	\$ (1,000,000)	\$ (550,000)	\$ (1,722,729)	\$ (1,765,168)	\$ (2,087,631)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

PUBLIC OFFICIALS/LAW ENFORCEMENT										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 3,274,328	\$ 3,105,184	\$ 3,072,947	\$ 3,132,465	\$ 3,297,492	\$ 3,776,673	\$ 3,879,133	\$ 3,986,826	\$ 4,080,002	\$ 3,989,158
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	3,274,328	3,105,184	3,072,947	3,132,465	3,297,492	3,776,673	3,879,133	3,986,826	4,080,002	3,989,158
2. Initial estimated total incurred losses										
Incurred	\$ 5,000,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000	\$ 3,500,000	\$ 4,500,000	\$ 5,000,000	\$ 7,928,571	\$ 4,750,000
Ceded	-	-	-	-	-	-	-	-	1,928,571	-
Net incurred	5,000,000	5,000,000	5,661,948	4,200,000	4,000,000	3,500,000	4,500,000	5,000,000	6,000,000	4,750,000
3. Paid losses (cumulative)										
Policy year	\$ 204,471	\$ 191,096	\$ 488,303	\$ 300,619	\$ 212,685	\$ 51,393	\$ 182,431	\$ 145,457	\$ 160,678	\$ 267,860
One year later		1,046,015	1,565,014	996,086	666,589	443,380	844,926	617,304	736,984	755,841
Two years later			3,508,560	1,708,917	1,724,554	2,397,590	1,417,570	969,295	1,392,773	963,581
Three years later				2,324,213	2,679,700	2,565,038	1,660,779	1,695,649	1,821,727	1,289,252
Four years later					3,210,431	3,112,390	2,009,152	2,379,835	2,243,067	1,351,389
Five years later						3,246,168	2,164,326	2,496,972	2,302,946	1,325,014
Six years later							3,133,685	2,499,603	2,436,984	1,347,722
Seven years later								2,509,139	2,443,146	1,355,370
Eight years later									2,442,713	1,355,370
Nine years later										1,355,898
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,813,475	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 6,100,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000	\$ 3,500,000	\$ 4,500,000	\$ 5,000,000	\$ 6,000,000	\$ 4,750,000
One year later		5,400,000	5,558,460	5,661,948	3,800,000	3,500,000	3,750,000	3,750,000	5,250,000	4,250,000
Two years later			6,700,000	4,488,400	4,411,547	4,600,000	3,750,000	3,250,000	3,750,000	3,500,000
Three years later				4,296,989	3,933,977	3,665,387	3,000,000	3,350,000	3,500,000	2,750,000
Four years later					4,231,631	4,672,985	4,926,103	3,100,000	3,350,000	2,500,000
Five years later						4,701,657	2,569,224	2,593,863	3,100,000	2,000,000
Six years later							3,424,288	2,563,309	2,804,860	1,800,000
Seven years later								2,509,139	2,699,392	2,885,443
Eight years later									2,442,713	1,355,370
Nine years later										1,355,898
6. Increase (decrease) in total incurred losses from end of policy year		\$ 400,000	\$ 1,038,052	\$ 96,989	\$ 231,631	\$ 1,201,657	\$ (1,075,712)	\$ (2,490,861)	\$ (3,557,287)	\$ (3,394,102)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

AUTOMOBILE										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 7,834,492	\$ 8,867,732	\$ 8,326,381	\$ 8,092,621	\$ 8,181,996	\$ 8,953,955	\$ 9,162,033	\$ 9,341,596	\$ 9,403,243	\$ 9,257,227
Ceded	-	-	-	-	-	-	-	-	-	-
Net earned	7,834,492	8,867,732	8,326,381	8,092,621	8,181,996	8,953,955	9,162,033	9,341,596	9,403,243	9,257,227
2. Initial estimated total incurred losses										
Incurred	\$ 8,964,716	\$ 10,630,065	\$ 10,709,000	\$ 8,200,000	\$ 8,350,000	\$ 8,000,000	\$ 9,386,500	\$ 8,105,813	\$ 8,740,129	\$ 10,016,204
Ceded	64,716	36,196	1,509,000	-	-	-	1,111,500	55,813	147,275	1,516,204
Net incurred	8,900,000	10,593,869	9,200,000	8,200,000	8,350,000	8,000,000	8,275,000	8,050,000	8,592,854	8,500,000
3. Paid losses (cumulative)										
Policy year	\$ 3,612,342	\$ 3,869,183	\$ 3,140,582	\$ 3,058,884	\$ 2,775,793	\$ 3,305,481	\$ 2,349,635	\$ 2,376,083	\$ 2,564,863	\$ 2,761,862
One year later		5,523,981	4,708,141	3,737,665	4,389,227	3,815,488	4,925,406	3,550,702	3,217,760	4,185,870
Two years later			5,122,207	4,742,899	4,714,299	4,775,246	5,726,603	5,040,178	4,215,330	4,880,699
Three years later				5,376,142	5,211,329	4,929,925	6,115,020	5,095,601	4,482,235	5,441,544
Four years later					5,342,469	5,066,889	7,216,800	5,110,989	4,551,144	5,419,457
Five years later						5,141,753	7,223,011	5,299,331	4,554,990	5,473,040
Six years later							7,222,862	5,299,365	4,557,019	5,586,451
Seven years later								5,299,030	4,588,584	5,586,462
Eight years later									4,603,882	5,586,462
Nine years later										5,586,462
4. Re-estimated ceded losses	\$ 64,716	\$ 1,093,455	\$ 1,357,121	\$ -	\$ 106,632	\$ 220,574	\$ 4,414,664	\$ 55,813	\$ -	\$ 1,695,323
5. Re-estimated total incurred losses										
Policy year	\$ 8,900,000	\$ 10,593,869	\$ 9,200,000	\$ 8,200,000	\$ 8,350,000	\$ 8,000,000	\$ 8,275,000	\$ 8,050,000	\$ 8,592,854	\$ 8,500,000
One year later		9,847,483	880,772	7,227,666	7,603,261	7,228,073	8,495,223	6,990,288	7,366,401	8,232,838
Two years later			8,726,221	7,135,212	7,062,516	6,675,377	8,048,603	6,600,736	6,907,870	7,721,233
Three years later				6,722,608	6,314,693	6,155,249	8,023,268	6,100,633	6,155,826	6,971,543
Four years later					5,805,539	5,649,403	7,610,736	5,578,709	5,905,826	6,058,323
Five years later						5,393,525	7,506,293	5,489,472	4,901,793	5,807,474
Six years later							7,356,135	5,299,405	4,748,002	5,671,119
Seven years later								5,299,070	4,646,749	5,621,119
Eight years later									4,645,949	3,915,343
Nine years later										5,586,462
6. Increase (decrease) in total incurred losses from end of policy year		\$ (746,386)	\$ (473,779)	\$ (1,477,392)	\$ (2,544,461)	\$ (2,606,475)	\$ (918,865)	\$ (2,750,930)	\$ (3,946,905)	\$ (2,913,538)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

PROPERTY										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 14,597,598	\$ 13,123,542	\$ 12,682,673	\$ 13,110,014	\$ 12,190,146	\$ 11,288,076	\$ 10,875,910	\$ 10,513,974	\$ 9,579,544	\$ 8,985,238
Ceded	6,885,035	6,302,542	5,817,904	6,025,635	5,658,780	5,175,746	5,282,784	4,375,017	3,751,356	3,341,673
Net earned	7,712,563	6,821,000	6,864,769	7,084,379	6,531,366	6,112,330	5,593,126	6,138,957	5,828,188	5,643,565
2. Initial estimated total incurred losses										
Incurred	\$ 15,460,000	\$ 5,731,843	\$ 6,090,757	\$ 6,967,328	\$ 3,250,000	\$ 6,900,000	\$ 5,156,809	\$ 4,000,000	\$ 4,497,961	\$ 22,823,350
Ceded	9,710,000	-	690,757	967,328	-	1,900,000	406,809	-	247,961	19,323,350
Net incurred	5,750,000	5,731,843	5,400,000	6,000,000	3,250,000	5,000,000	4,750,000	4,000,000	4,250,000	3,500,000
3. Paid losses (cumulative)										
Policy year	\$ 3,659,094	\$ 3,860,418	\$ 3,556,058	\$ 2,536,821	\$ 1,665,250	\$ 2,160,800	\$ 2,336,477	\$ 1,288,965	\$ 2,542,615	\$ 1,196,695
One year later		4,917,287	4,774,833	4,751,780	2,469,904	4,841,981	2,889,530	1,877,488	4,122,838	2,303,788
Two years later			4,877,479	5,097,805	2,510,581	4,753,551	3,113,992	1,878,939	4,363,596	2,307,038
Three years later				5,063,690	2,569,111	4,742,610	3,045,903	1,859,033	4,315,941	2,301,050
Four years later					2,569,374	4,739,694	3,034,232	1,854,863	4,260,108	2,301,050
Five years later						4,739,164	3,034,232	1,845,063	4,261,616	3,278,767
Six years later							3,034,232	1,845,063	4,262,011	2,575,056
Seven years later								1,845,063	4,280,796	2,575,056
Eight years later									4,280,796	2,575,056
Nine years later										2,575,056
4. Re-estimated ceded losses	\$ 9,710,000	\$ -	\$ 1,970,767	\$ 2,436,652	\$ -	\$ 907,744	\$ 265,553	\$ -	\$ 323,524	\$ 15,576,050
5. Re-estimated total incurred losses										
Policy year	\$ 5,750,000	\$ 5,731,843	\$ 5,400,000	\$ 6,000,000	\$ 3,250,000	\$ 5,000,000	\$ 4,750,000	\$ 4,000,000	\$ 4,250,000	\$ 3,500,000
One year later		5,350,000	5,114,167	5,400,000	3,000,000	5,000,000	3,750,000	2,500,000	4,550,000	2,750,000
Two years later			4,996,317	5,211,475	2,700,000	4,850,000	3,250,000	2,250,000	4,500,000	2,500,000
Three years later				5,082,453	2,579,795	4,800,000	3,100,000	2,000,000	4,400,000	2,350,000
Four years later					2,569,375	4,739,699	3,050,000	1,900,000	4,300,000	2,301,052
Five years later						4,739,167	3,034,232	1,845,063	4,261,616	3,350,000
Six years later							3,034,232	1,845,063	4,262,011	2,575,056
Seven years later								1,845,063	4,280,796	2,575,056
Eight years later									4,280,796	2,575,056
Nine years later										2,575,056
6. Increase (decrease) in total incurred losses from end of policy year		\$ (381,843)	\$ (403,683)	\$ (917,547)	\$ (680,625)	\$ (260,833)	\$ (1,715,768)	\$ (2,154,937)	\$ 30,796	\$ (924,944)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

BOILER & MACHINERY										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 998,235	\$ 911,528	\$ 884,471	\$ 913,712	\$ 867,745	\$ 811,366	\$ 771,354	\$ 730,566	\$ 687,668	\$ 670,487
Ceded	424,681	381,030	350,559	385,867	356,676	260,629	257,559	185,574	153,251	182,316
Net earned	573,554	530,498	533,912	527,845	511,069	550,737	513,795	544,992	534,417	488,171
2. Initial estimated total incurred losses										
Incurred	\$ 467,000	\$ 517,000	\$ 515,584	\$ 125,000	\$ 150,000	\$ 300,000	\$ 1,168,025	\$ 175,000	\$ 200,000	\$ 200,000
Ceded	17,000	17,000	115,584	-	-	-	918,025	-	-	-
Net incurred	450,000	500,000	400,000	125,000	150,000	300,000	250,000	175,000	200,000	200,000
3. Paid losses (cumulative)										
Policy year	\$ 145,626	\$ 208,386	\$ 176,299	\$ 2,561	\$ 33,016	\$ 188,147	\$ 141,360	\$ 80,497	\$ 72,466	\$ 150,126
One year later		395,960	256,305	129,845	133,015	281,962	219,834	196,820	82,124	153,619
Two years later			256,305	129,845	133,015	281,962	312,763	196,320	102,393	153,619
Three years later				129,845	133,015	281,962	312,763	196,320	102,393	153,619
Four years later					133,015	281,962	312,763	196,320	102,393	153,619
Five years later						281,962	312,763	196,320	102,393	153,619
Six years later							312,763	196,320	102,393	153,619
Seven years later								196,320	102,393	153,619
Eight years later									102,393	153,619
Nine years later										153,619
4. Re-estimated ceded losses	\$ -	\$ -	\$ 115,584	\$ -	\$ 912,316	\$ -	\$ 782,831	\$ 153,667	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 450,000	\$ 500,000	\$ 400,000	\$ 125,000	\$ 150,000	\$ 300,000	\$ 250,000	\$ 175,000	\$ 200,000	\$ 200,000
One year later		395,961	256,305	129,845	133,680	300,000	225,000	225,000	125,000	175,000
Two years later			256,305	129,845	133,015	281,962	312,763	196,320	102,393	153,619
Three years later				129,845	133,015	281,962	312,763	196,320	102,393	153,619
Four years later					133,015	281,962	312,763	196,320	102,393	153,619
Five years later						281,962	312,763	196,320	102,393	153,619
Six years later							312,763	196,320	102,393	153,619
Seven years later								196,320	102,393	153,619
Eight years later									102,393	153,619
Nine years later										153,619
6. Increase (decrease) in total incurred losses from end of policy year		\$ (104,039)	\$ (143,695)	\$ 4,845	\$ (16,985)	\$ (18,038)	\$ 62,763	\$ 21,320	\$ (97,607)	\$ (46,381)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

FIDELITY & CRIME										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1. Premiums										
Earned	\$ 295,818	\$ 279,315	\$ 276,779	\$ 297,756	\$ 300,405	\$ 299,304	\$ 298,819	\$ 301,739	\$ 301,670	\$ 287,759
Ceded	-	-	-	-	-	-	44,828	41,608	42,808	42,808
Net earned	295,818	279,315	276,779	297,756	300,405	299,304	253,991	260,131	258,862	244,951
2. Initial estimated total incurred losses										
Incurred	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 175,000	\$ 650,000	\$ 50,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	150,000	150,000	150,000	100,000	100,000	100,000	75,000	175,000	650,000	50,000
3. Paid losses (cumulative)										
Policy year	\$ -	\$ 3,126	\$ -	\$ -	\$ 2,145	\$ 5,422	\$ -	\$ 25,000	\$ 195,493	\$ -
One year later		3,126	-	118,703	190,911	89,198	-	25,000	201,067	-
Two years later			-	121,736	190,911	88,801	6,251	27,044	202,269	-
Three years later				121,736	190,911	94,241	6,251	36,208	280,943	-
Four years later					190,911	98,328	-	40,597	272,110	-
Five years later						97,428	-	55,332	255,110	-
Six years later							-	55,332	238,768	-
Seven years later								55,332	290,592	-
Eight years later									276,992	-
Nine years later										-
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 175,000	\$ 650,000	\$ 50,000
One year later		100,000	50,000	175,000	250,000	125,000	125,000	150,000	400,000	24,200
Two years later			-	150,000	225,000	125,000	50,000	150,000	400,000	12,704
Three years later				121,736	190,911	125,000	50,000	150,000	325,000	-
Four years later					190,911	125,000	-	125,000	272,110	-
Five years later						125,000	-	75,000	255,110	-
Six years later							-	55,333	268,769	-
Seven years later								55,332	290,594	-
Eight years later									276,992	-
Nine years later										-
6. Increase (decrease) in total incurred losses from end of policy year		\$ (50,000)	\$ (150,000)	\$ 21,736	\$ 90,911	\$ 25,000	\$ (75,000)	\$ (119,668)	\$ (373,008)	\$ (50,000)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

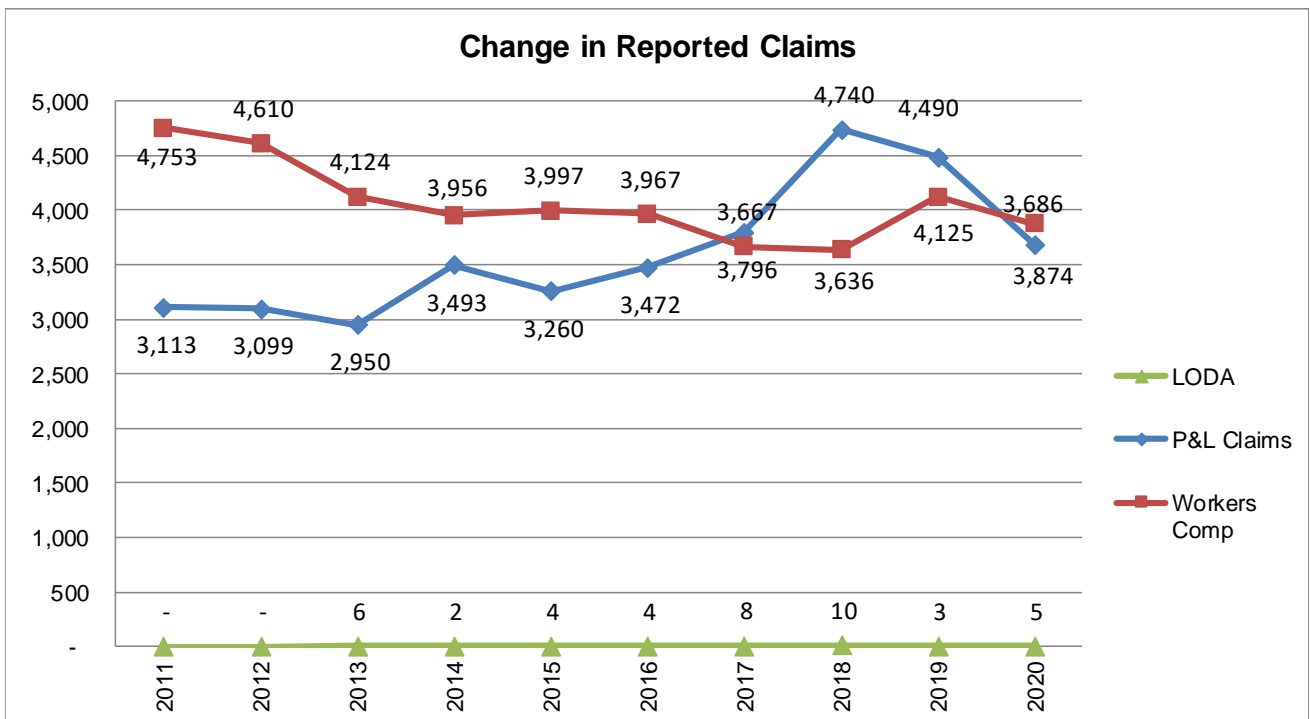
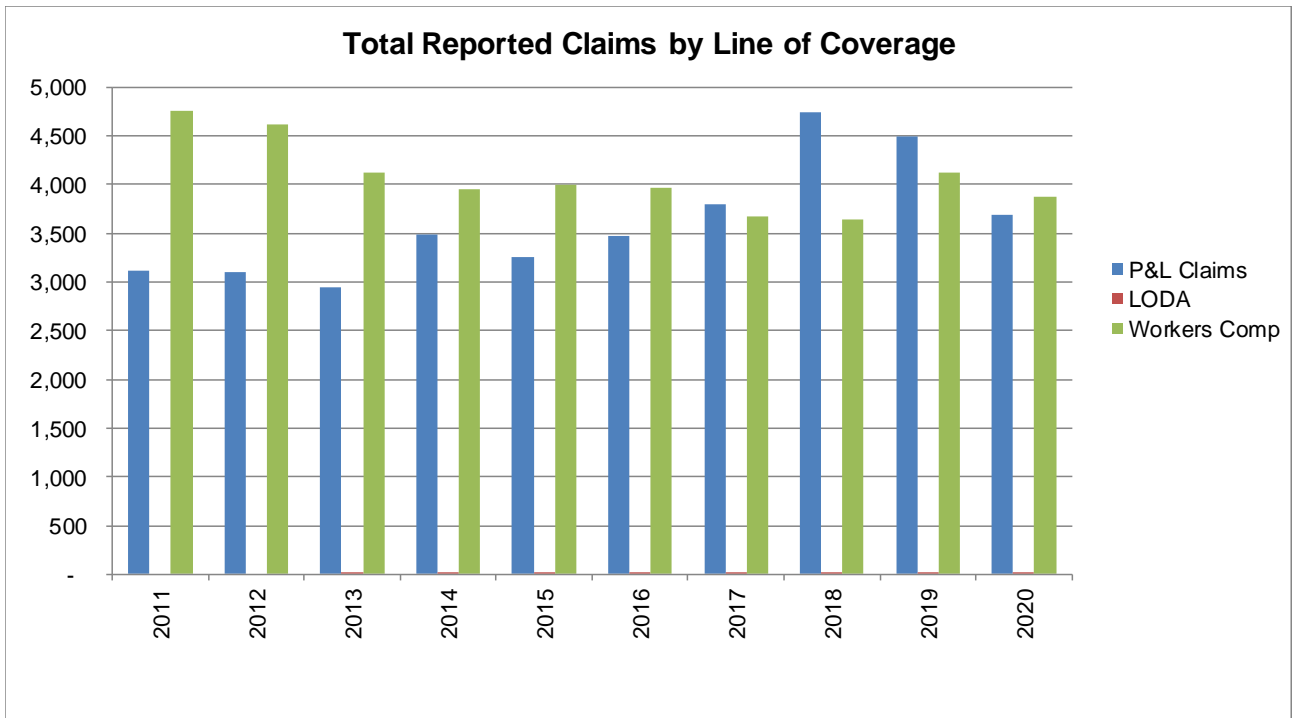
<u>CYBER</u>		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1. Premiums											
	Earned	\$ 436,175	\$ 369,560	\$ 318,772							
	Ceded	85,866	85,136	68,712							
	Net earned	350,309	284,424	250,060							
2. Initial estimated total incurred losses											
	Incurred	\$ 350,000	\$ -	\$ -							
	Ceded	-	-	-							
	Net incurred	350,000	200,000	150,000							
3. Paid losses (cumulative)											
	Policy year	\$ 65,903	\$ 19,708	\$ 1,971							
	One year later		92,286	39,924							
	Two years later			61,971							
	Three years later										
	Four years later										
	Five years later										
	Six years later										
	Seven years later										
	Eight years later										
	Nine years later										
4. Re-estimated ceded losses	\$	-	\$ -	\$ -							
5. Re-estimated total incurred losses											
	Policy year	\$ 350,000	\$ 200,000	\$ 150,000							
	One year later		200,000	150,000							
	Two years later			75,000							
	Three years later										
	Four years later										
	Five years later										
	Six years later										
	Seven years later										
	Eight years later										
	Nine years later										
6. Increase (decrease) in total incurred losses from end of policy year	\$	-	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Virginia Risk Sharing Association and Subsidiaries
Reported Claims Analysis by Line of Coverage
For Policy Years Ended June 30,**

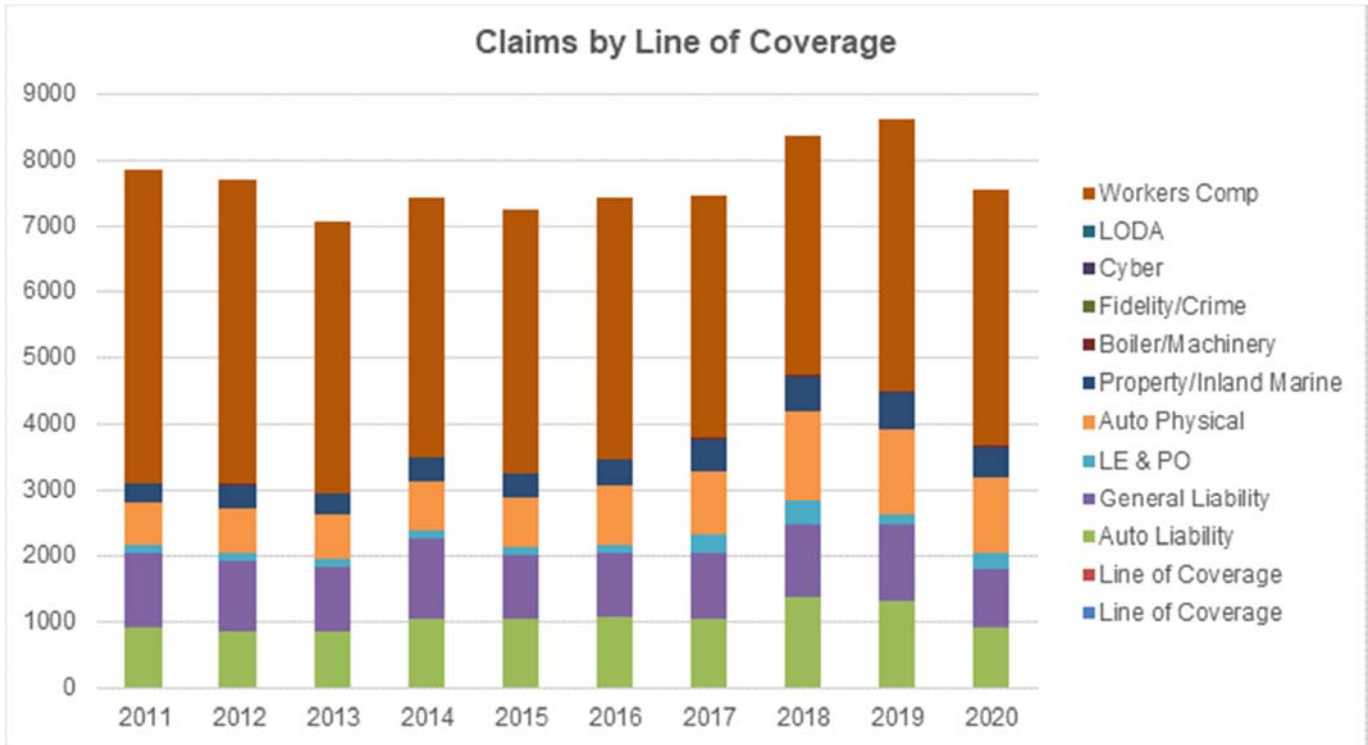
Line of Coverage	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Auto Liability	927	871	868	1,041	1,047	1,063	1,053	1,363	1,313	927
General Liability	1,128	1,054	975	1,220	959	984	993	1,112	1,157	887
LE & PO	103	130	115	128	114	128	262	361	164	225
Auto Physical	656	662	647	754	758	888	986	1,359	1,274	1,148
Property/Inland Marine	286	367	333	342	369	402	488	519	557	469
Boiler/Machinery	13	7	9	5	8	4	7	14	12	13
Fidelity/Crime	-	8	3	3	5	3	7	7	2	5
Cyber	-	-	-	-	-	-	-	5	11	12
LODA	-	-	6	2	4	4	8	10	3	5
Workers Comp	4,753	4,610	4,124	3,956	3,997	3,967	3,667	3,636	4,125	3,874
Total Claims Reported	7,866	7,709	7,080	7,451	7,261	7,443	7,471	8,386	8,618	7,565
% change		-2.00%	-8.16%	5.24%	-2.55%	2.51%	0.38%	12.25%	2.77%	-12.22%
overall % change										-3.83%

Claims are reported via different methods including online, via the nurse triage service, fax, phone and mail. Claims are associated with the policy year that the occurrence happened in, regardless of when the claim is reported. As a result, claims counts can change for previous policy years.

**Virginia Risk Sharing Association and Subsidiaries
 Reported Claims Analysis by Line of Coverage, Continued
 For Policy Years Ended June 30,**



**Virginia Risk Sharing Association and Subsidiaries
 Reported Claims Analysis by Line of Coverage
 For Policy Years Ended June 30,**



Virginia Risk Sharing Association and Subsidiaries
Total Ceded Loss Analysis

Policy Year	Ceded Losses - Workers Comp				Ceded Losses - Liability				Ceded Losses - Total			
	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable
80/81 - 89/90	9,601,176	7,218,058	111,807	2,271,311	-	-	-	-	9,601,176	7,218,058	111,807	2,271,311
90/91 - 99/00	17,222,881	9,467,499	272,260	7,483,122	3,021,488	3,021,488	-	-	20,244,369	12,488,987	272,260	7,483,122
2000-01	1,316,547	1,166,261	-	150,286	2,475,757	2,475,757	-	-	3,792,304	3,642,018	-	150,286
2001-02	361,828	361,828	-	-	2,428,656	2,428,656	-	-	2,790,484	2,790,484	-	-
2002-03	-	-	-	-	1,150,898	1,150,898	-	-	1,150,898	1,150,898	-	-
2003-04	335,026	335,026	-	-	4,857,555	4,857,555	-	-	5,192,581	5,192,581	-	-
2004-05	1,260,076	-	-	1,260,076	8,098,020	8,098,020	-	-	9,358,096	8,098,020	-	1,260,076
2005-06	745,643	-	-	745,643	4,317,382	4,317,382	-	-	5,063,025	4,317,382	-	745,643
2006-07	-	-	-	-	2,802,735	2,802,735	-	-	2,802,735	2,802,735	-	-
2007-08	-	-	-	-	3,914,351	3,914,351	-	-	3,914,351	3,914,351	-	-
2008-09	-	-	-	-	913,867	913,867	-	-	913,867	913,867	-	-
2009-10	-	-	-	-	1,625,014	1,625,014	-	-	1,625,014	1,625,014	-	-
2010-11	-	-	-	-	17,271,374	17,271,374	-	-	17,271,374	17,271,374	-	-
2011-12	1,067,423	262,382	-	805,041	323,524	323,524	-	-	1,390,947	585,906	-	805,041
2012-13	313,535	-	20,537	292,998	209,480	209,480	-	-	523,015	209,480	20,537	292,998
2013-14	-	-	-	-	8,276,522	5,463,048	2,808,530	4,944	8,276,522	5,463,048	2,808,530	4,944
2014-15	-	-	-	-	1,128,318	1,128,318	-	-	1,128,318	1,128,318	-	-
2015-16	32,153	31,343	5	805	1,018,949	1,018,949	-	-	1,051,102	1,050,292	5	805
2016-17	-	-	-	-	1,461,652	486,652	190,429	784,571	1,461,652	486,652	190,429	784,571
2017-18	-	-	-	-	3,536,040	2,591,138	172,612	772,290	3,536,040	2,591,138	172,612	772,290
2018-19	3,687,463	749,999	157,607	2,779,857	1,500,887	500,000	518,620	482,267	5,188,350	1,249,999	676,227	3,262,124
2019-20	-	-	-	-	9,274,716	-	1,933,469	7,341,247	9,274,716	-	1,933,469	7,341,247
Grand Totals:	35,943,752	19,592,396	562,216	15,789,139	79,607,185	64,598,206	5,623,660	9,385,319	115,550,937	84,190,602	6,185,876	25,174,458

Ceded losses are losses that surpass a contracted self-insurance retention level and are then covered by one or more reinsurers.

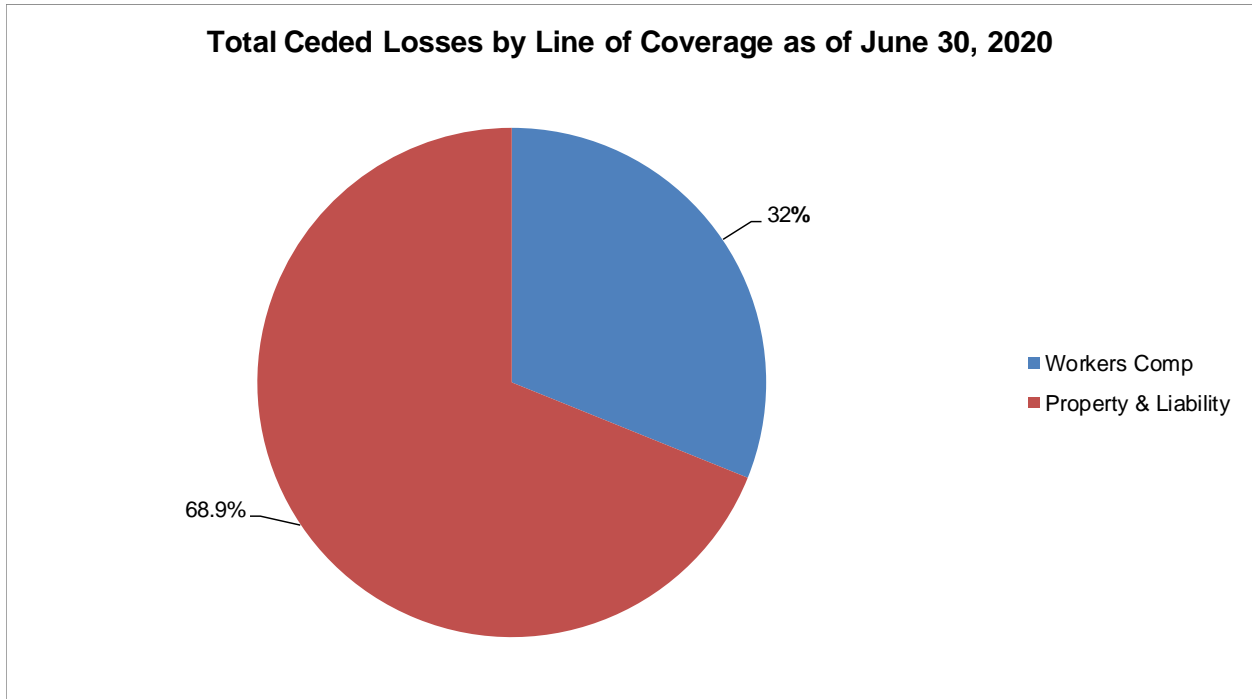
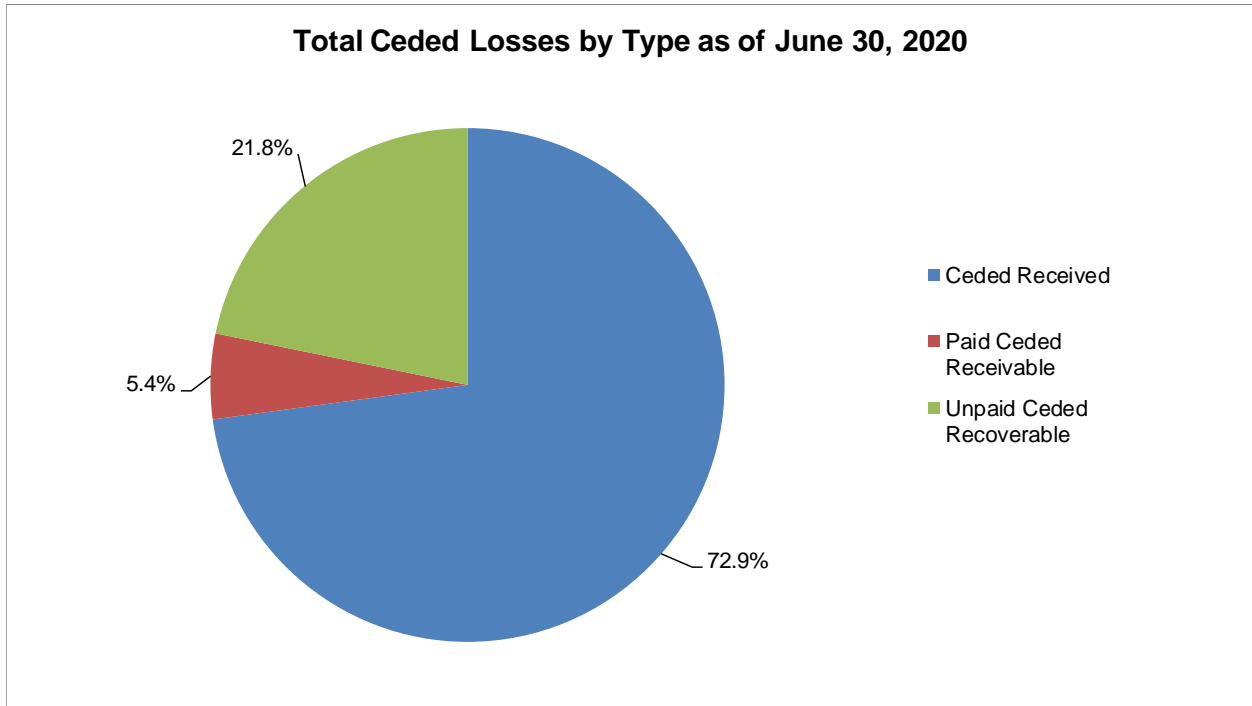
Total ceded losses = Ceded received + Paid Ceded receivable + Unpaid Ceded recoverable

Ceded received = loss expenses above retention that have been reimbursed by reinsurer(s)

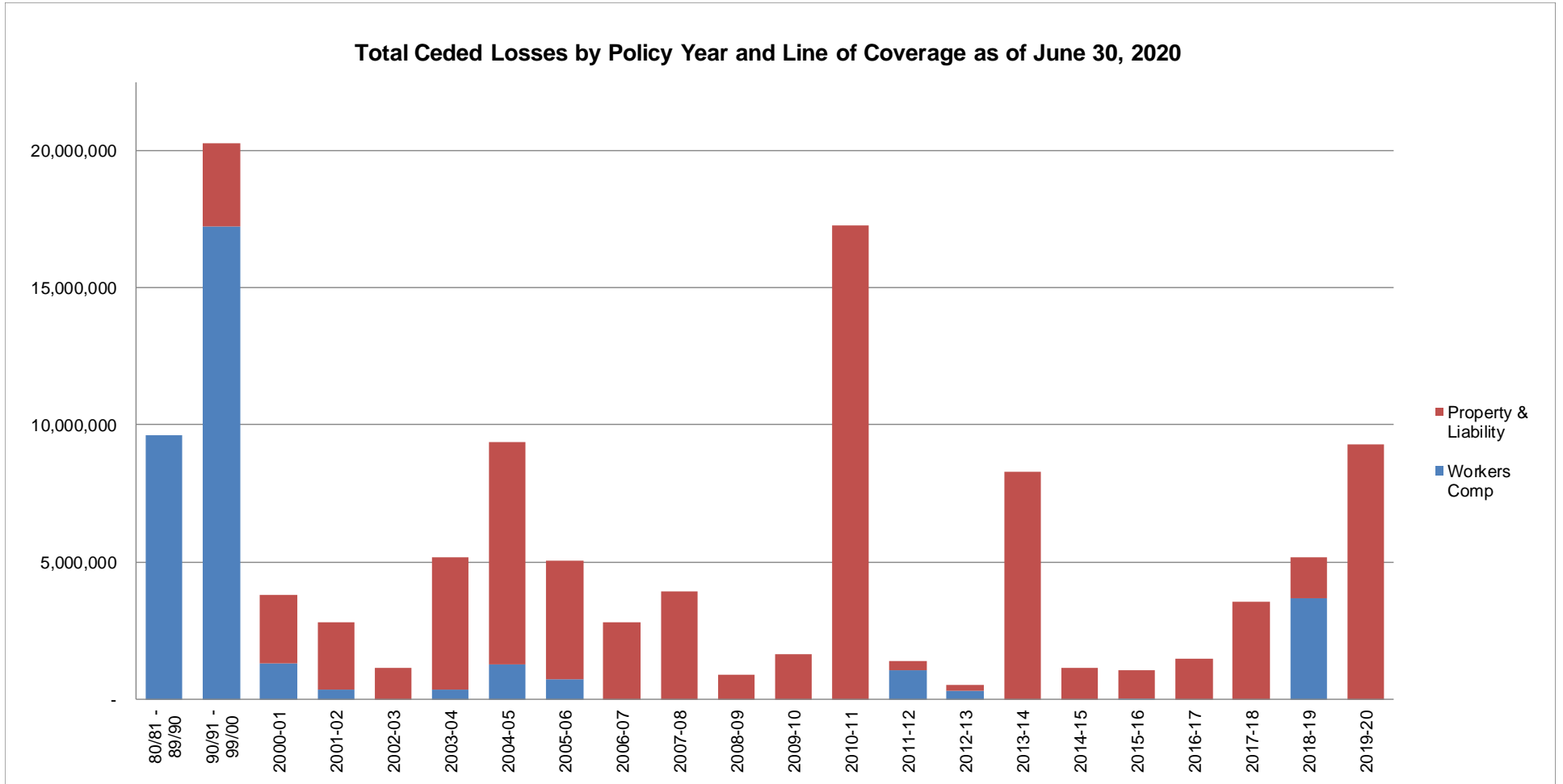
Paid Ceded receivable = loss expenses above retention that have been submitted to reinsurer(s) for reimbursement but not paid yet

Unpaid Ceded recoverable = loss reserves on a claim that are an estimation of expenses that will be submitted to reinsurer(s) for reimbursement

**Virginia Risk Sharing Association and Subsidiaries
Total Ceded Loss Analysis, Continued**



**Virginia Risk Sharing Association and Subsidiaries
Total Ceded Loss Analysis, Continued**



Virginia Risk Sharing Association and Subsidiaries Reinsurance History

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
1980-81	WC	Insurance Company of North America	\$175,000	
1981-82	WC	Insurance Company of North America	\$175,000	
1982-83	WC	Mead Reinsurance Corp.	\$175,000	
1983-84	WC	Employers Reinsurance Corp.	\$175,000	
1984-85	WC	Employers Reinsurance Corp.	\$150,000	
1985-86	WC	Employers Reinsurance Corp.	\$150,000	
1986-87	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	Employers Reinsurance Corp.	\$250,000	
1987-88	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$500,000	
	WC	Employers Reinsurance Corp.	\$250,000	
1988-89	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	Employers Reinsurance Corp.	\$300,000	
1989-90	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	General Reinsurance	\$400,000	
1990-91	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	General Reinsurance	\$400,000	
1991-92	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1992-93	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1993-94	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1994-95	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1995-96	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1996-97	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1997-98	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
	WC	General Reinsurance	\$400,000	
1998-99	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
	WC	General Reinsurance	\$400,000	
1999-00	XS	General Reinsurance	100% reinsured	
	BM	Hartford Steam Boiler	100% reinsured	
	CC	Fidelity & Deposit Company of Maryland	100% reinsured	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	LE & PO	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
WC	General Reinsurance	\$400,000		
XS	General Reinsurance	100% reinsured		

**Virginia Risk Sharing Association and Subsidiaries
Reinsurance History, Continued**

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
2000-01	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	LE & PO	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$50,000	\$500,000 annual aggregate
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2001-02	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$250,000	\$20M windstorm limit
	PR	Lloyds of London		50% \$30M excess of \$20M
	PR	Royal Indemnity		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	PR	Westchester Fire Insurance Company		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2002-03	BM, CC	Swiss Reinsurance America	\$50,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$500,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
XS	General Reinsurance	\$1,000,000	25/75 quota share above limit	
2003-04	BM, CC	Swiss Reinsurance America	\$100,000	
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$1,000,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	NLC Mutual Insurance Company	100% reinsured	\$5M limit
XS	General Reinsurance		100% excess of \$5M	
2004-05	BM	Zurich American Insurance Company	25000	\$100M limit
	CC	Axis Reinsurance	\$300,000	60% of \$1M limit
	CC	Lloyds of London		20% of \$1M limit
	CC	Westchester Fire Insurance Company		20% of \$1M limit
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PR	Axis Reinsurance	\$500,000 & \$1M windstorm	60% of \$25M limit, 40% of \$75M excess of \$25M
	PR	Westchester Fire Insurance Company		20% of \$25M limit, 60% of \$75M excess of \$25M
	PR	Lloyds of London		20% of \$25M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	NLC Mutual Insurance Company	100% reinsured	shared burden
XS	General Reinsurance	100% reinsured	shared burden	
2005-06	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000 & \$1M windstorm	\$1B limit
	WC	Safety National Casualty Corporation	\$1,000,000	
	XS	Evanston Insurance Company	100% reinsured	share in \$5M limit
	XS	James River Insurance Company	100% reinsured	share in \$5M limit
	XS	Liberty Mutual Insurance Company	100% reinsured	share in \$5M limit
	XS	Odyssey American Reinsurance Corp.	100% reinsured	share in \$5M limit
	XS	Signet Star Reinsurance	100% reinsured	share in \$5M limit
	XS	General Reinsurance	100% reinsured	members with \$6M - \$10M limits
XS	Landmark American Insurance	100% reinsured	members with greater than \$10M limits	
2006-07	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	Safety National Casualty Corporation	\$2,000,000	
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$350M limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$100M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$75M limit

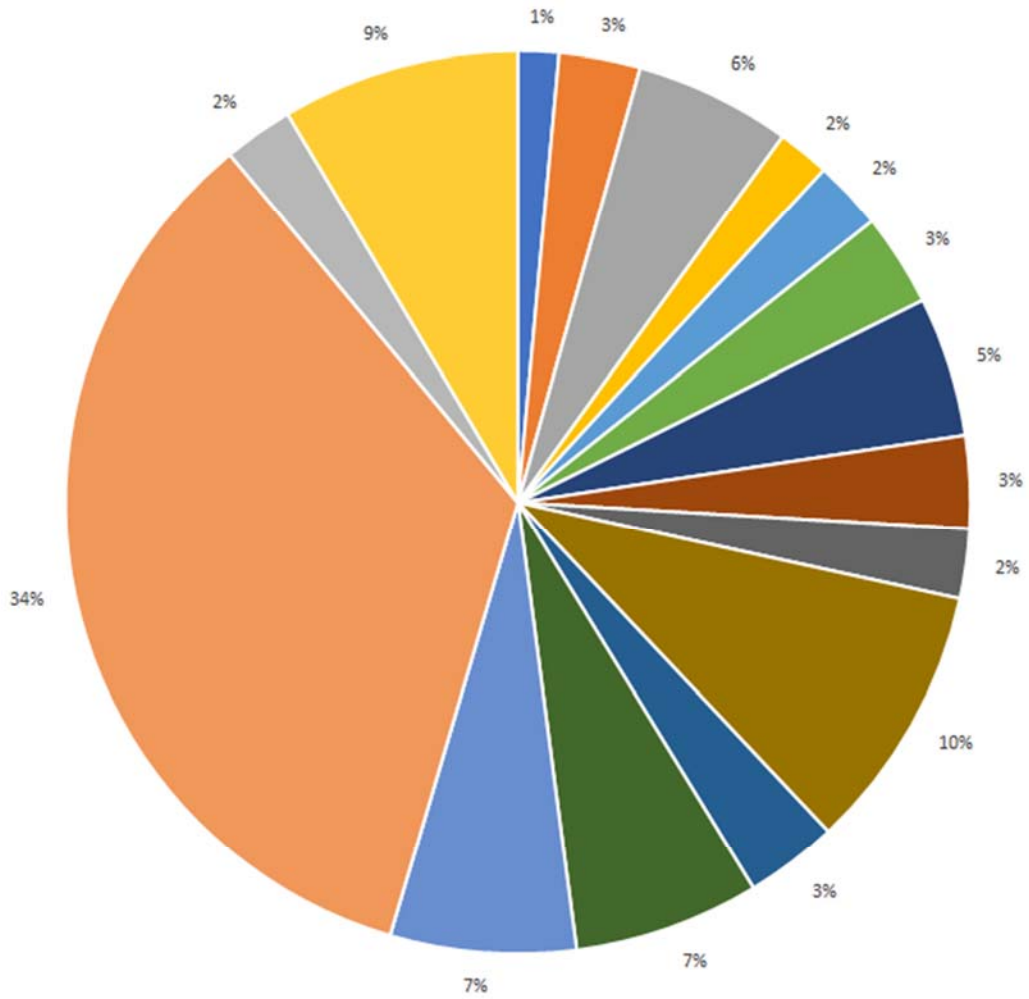
**Virginia Risk Sharing Association and Subsidiaries
Reinsurance History, Continued**

<u>Policy Years</u>	<u>Line of Coverage</u>	<u>Reinsurance Carrier</u>	<u>Retention Limits</u>	<u>Quota Share or Limit Cap</u>
2007-08	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$2,000,000	\$500,000 excess of \$2M
	WC	Midwest Employers Casualty Company		100% excess of \$2.5M
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2008-09	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,500,000	50/50 of \$500,000 excess of \$1.5M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit	
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2009-10	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$1M excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit	
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2010-11	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$500,000 excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit	
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2011-12	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	\$500,000 excess of \$1M
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit	
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2012-13	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	

**Virginia Risk Sharing Association and Subsidiaries
Reinsurance History, Continued**

<u>Policy Years</u>	<u>Line of Coverage</u>	<u>Reinsurance Carrier</u>	<u>Retention Limits</u>	<u>Quota Share or Limit Cap</u>	
2013-14	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000		
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit	
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2014-15	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000		
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit	
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2015-16	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000		
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	no longer reinsured			
	WC	NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M after \$250K corridor	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$1,000,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2016-17	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit	
	BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	WC	NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
	WC	Midwest Employers Casualty Company		100% excess of \$1.5M	
	XS	ACE American Insurance Company	\$1,000,000	75% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$1B limit	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
	2017-18	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
BM		Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CL (Cyber)		Beazley	\$10,000 - \$50,000	\$25M limit	
WC		Midwest Employers Casualty Company	\$1,500,000	100% excess of \$1.5M	
XS		Chubb	\$1,000,000	90% excess of \$1M to limit of \$10M	
PD		Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
2018-19		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit, \$30M/\$40M aggregate based on coverage
		Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate	
	WC	Virginia Interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000	
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
	XS	Virginia Interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M	
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$750,000	Up to \$1B excluding windstorm and flood	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit		
2019-20	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit, \$30M/\$40M aggregate based on coverage	
	Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate	
	WC	Virginia Interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000	
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
	XS	Virginia Interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M	
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$750,000	Up to \$1B excluding windstorm and flood	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit		

**Virginia Risk Sharing Association and Subsidiaries
2019 – 2020 Membership by Type**



- Airport
- Alcohol Safety Awareness Program
- City
- County
- Criminal Justice Training Authority
- Housing Authority
- IDA/EDA
- Jail/Juvenile Detention Center
- Library
- Other
- Planning District Commission
- School
- Social Services
- Town
- Transportation Authority
- Water/Wastewater Authority



COMPLIANCE SECTION

For the Period July 1, 2019 – June 30, 2020

- Independent Accountants Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

**REPORT OF INDEPENDENT ACCOUNTANTS ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Members' Supervisory Board
Virginia Risk Sharing Association
Glen Allen, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Virginia Risk Sharing Association and Subsidiaries (the "Pool"), which comprise the consolidated statement of net position as of June 30, 2020, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Pool's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized, flowing script.

December 23, 2020
Glen Allen, Virginia

Virginia Risk Sharing Association
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2020 and 2019



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