



# VRSA

Virginia Risk Sharing Association

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*More Than Insurance*

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**Virginia Risk Sharing Association and Subsidiaries  
Annual Comprehensive Financial Report  
For the Fiscal Years Ended June 30, 2022 and 2021**



## Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

### Prepared by:

Virginia Risk Sharing Association  
Finance Department  
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Virginia Risk Sharing Association  
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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, 2021 – June 30, 2022

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



December 28, 2022

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 Annual Comprehensive Financial Report (ACFR) for Virginia Risk Sharing Association (the Pool) fulfills that requirement for the fiscal year ended June 30, 2022.

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, 2022. 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. 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. Local governments seemed to have emerged from the Covid 19 pandemic in relatively good condition from a budgetary perspective. Federal stimulus and higher than expected tax receipts have bolstered local government finances in the short term. However, there are still many headwinds facing our members including the likelihood of an economic recession in 2023.

The Pool continues to maintain stable membership with high membership retention. 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. Effective July 1, 2022, the Pool began offering a supplemental Workers Compensation coverage to reimburse employees for out-of-pocket expenses not included in the Workers Compensation Act.

The Pool expects the budgetary climate for members to remain relatively stable for the next few years albeit at constrained levels. 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 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 excess liability market has hardened considerably over the past few years with carriers imposing more coverage restrictions and higher premiums on customers. We expect this trend to continue for the next few years, but we do not expect it to severely impact the Pool's ability to secure reinsurance going forward.

The property reinsurance market has become increasingly catastrophe driven. Recent events such as Hurricanes Ian and Nicole 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. Effective July 1, 2021, the Pool added a portion of the cyber coverage to the Captive. The Pool may continue to 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 ACFR.

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 several years. Most of this portfolio is in fixed interest rate securities. Due to the recent monetary tightening by the Federal Reserve, the Pool experienced a significant decrease in the fair market value of the investments in its portfolio. This decrease is reflected in the accompanying financial statements and largely drove results for the year. One positive aspect of higher rates is that going forward the Pool can expect to earn more investment income as lower yielding securities mature and are replaced with higher earning investments.

Finally, as related to the Pool's operations, the long tenured Managing Director of the Pool retired on December 31, 2021. The Pool filled this position by promoting the Director of Member Services to Managing Director. This action was conducted as part of the Pool's overall employee retention and succession planning initiatives implemented in the past few years. All other senior management and department heads remained with the Pool throughout the transition.

## Annual Comprehensive 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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 ACFR 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 ACFR 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 'M. Hensel', written in a cursive style.

Marcus O. Hensel  
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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**Virginia Risk Sharing Association  
Members Supervisory Board  
2021-22**

Chair

Josh Farrar  
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[Karen.pallansch@alexrenew.com](mailto:Karen.pallansch@alexrenew.com)

**2021 - 2022 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  
Alleghany Highlands Regional Library  
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 Cigarette Tax Board  
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  
Breaks Regional Airport Authority  
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 Transportation Authority  
Central Virginia Waste Management Authority  
Charlotte Court House, Town of  
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 Plateau PDC  
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

**2021 - 2022 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  
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  
King William County Public Schools  
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  
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  
Middletown, Town of

**2021 - 2022 VRSA MEMBERSHIP, continued**

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 Regional Water Authority  
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  
NRV Regional Water Authority  
Occoquan, 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  
PlanRVA  
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 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  
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  
South Boston, Town of  
South Central Wastewater Authority

**2021 - 2022 VRSA MEMBERSHIP, continued**

South Hill, Town of  
Southampton County Public Schools  
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  
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 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 Peninsulas PSA  
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  
Waverly, Town of  
Waynesboro Public Schools  
Waynesboro RDHA  
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, 2021 – June 30, 2022**

**Administration**

Marcus Hensel                      Managing Director

**Communications**

Hollie Cammarasana              Director of Communications  
Jackie Stauffer                      Administrative Specialist

**Finance**

Jeff Nickey                          Deputy Managing Director  
Lisa Moore                          Accounting Assistant

**Human Resources**

Tina Stevens                        Director of Human Resources

**Information Services**

Mary Kay Marchetti                Director of Information Services  
Lisa Hart                              Project Manager  
Judy Huang                          Sr Software Engineer  
Emily Murphy                        Business Applications Administrator

**Analytics**

Kari Soniat                          Director of Analytics  
Jen Lee                                Business Data Analyst

**Member Services**

Harry McMillen                      Member Services 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  
Gary Dillon                          Public Safety Specialist  
Christine Gillison                    Safety Specialist  
Eddie Shelton                        Sr. Safety Consultant

**Underwriting**

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

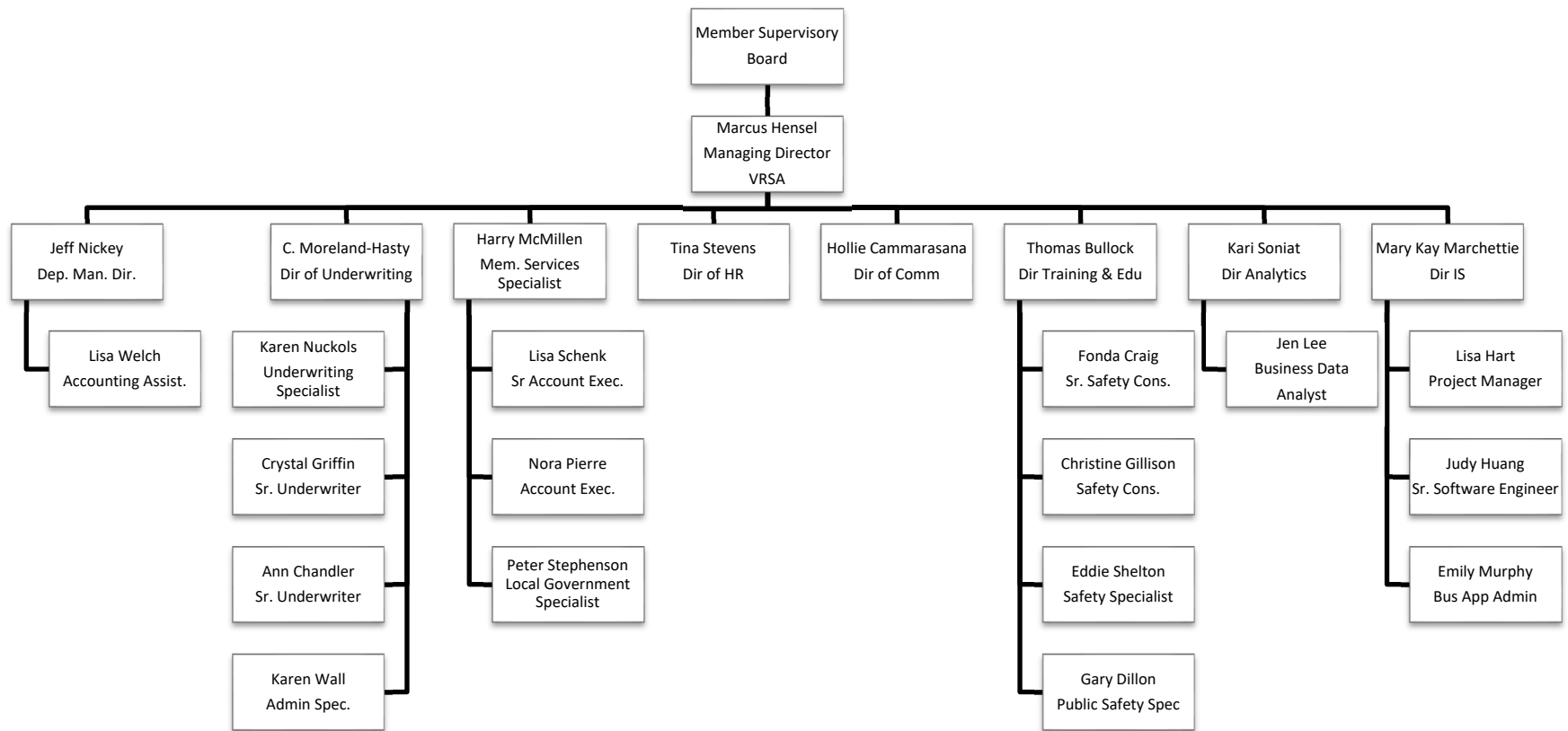
**Property & Liability Claims**

Tracey Dunlap                        Director of P & L Claims  
Ryan Berberich                        Claims Supervisor  
Qiana Brandon                        Claims Representative  
Asia Foster                            Fast Track Representative  
Joseph Hurst                          Claims Representative  
Pam Jones                            Claims Representative  
Shauntrice Kaigle                      Claims Representative  
Gail McWilliams                        Claims Representative  
Sally Nutsford                        Claims Representative  
Pam Pitts                              Recovery Specialist  
Kai Smith                              Fast Track Representative  
Greg Washington Sr.                    Claims Representative

**Worker's Compensation Claims**

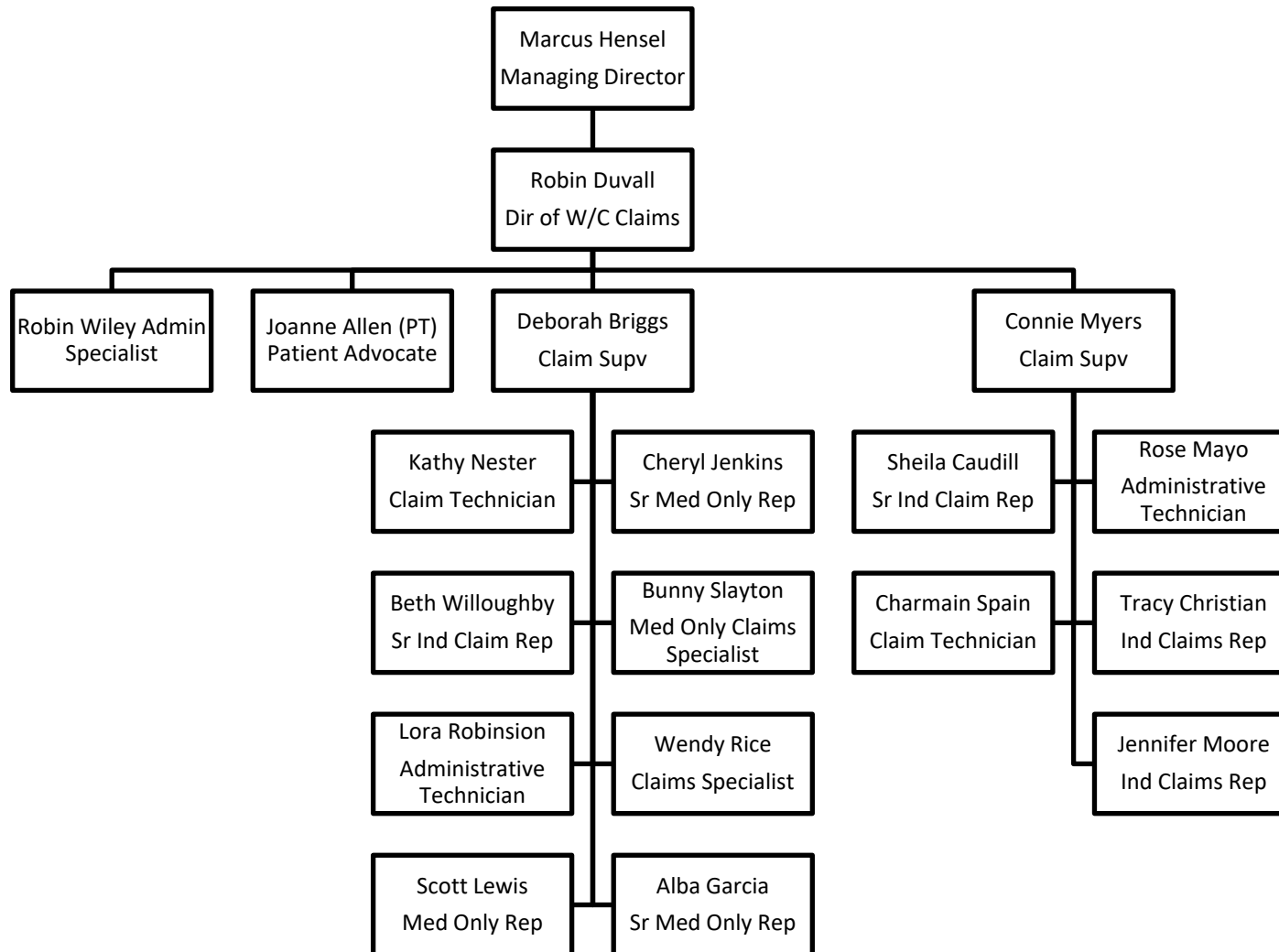
Robin Duvall                        Director of WC Claims  
Joanne Allen                        Patient Advocate  
Deborah Briggs                        Claims Supervisor  
Sheila Caudill                        Sr. Indemnity Claims  
Representative  
Tracy Christian                        Indemnity Claims Representative  
Alba Garcia                          Sr. Med Only Claims Representative  
Cheryl Jenkins                        Sr. Med Only Claims Representative  
Scott Lewis                          Med Only Claims Representative  
Rose Mayo                          Sr. Administrative Technician  
Jennifer Moore                        Indemnity Claims Representative  
Connie Myers                        Claims Supervisor  
Kathy Nester                        Claims Technician  
Lora Robinson                        Sr. Administrative Technician  
Wendy Rice                          Claims Specialist  
Bunny Slayton                        Med Only Claims Specialist  
Charmaine Spain                        Sr. Claims Technician  
Robin Wiley                          Administrative Specialist  
Beth Willoughby                        Sr. Indemnity Claims Representative

**Virginia Risk Sharing Association  
Staff Organization Charts  
July 1, 2021 – June 30, 2022**

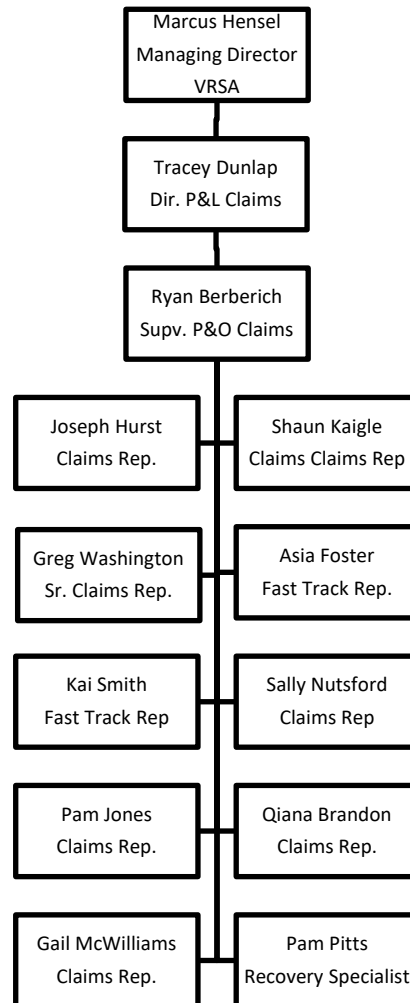




Virginia Risk Sharing Association  
 Staff Organization Charts, Continued  
 July 1, 2021 – June 30, 2022



**Virginia Risk Sharing Association  
Staff Organization Charts, Continued  
July 1, 2021 – June 30, 2022**



*Virginia Risk Sharing Association and Subsidiaries*



**FINANCIAL SECTION**

For the Period July 1, 2021 – June 30, 2022

- Independent Auditor’s Report
- Management Board Acknowledgement
- Management’s Discussion and Analysis
- Consolidated Financial Statements
  - Statements of Net Position
  - Statements of Revenues, Expenses and Changes in Net Position
  - Statements of Cash Flows
  - Notes to Consolidated Financial Statements
- Required Supplementary Information
  - Liability for Unpaid Losses, Net, by Type of Contract
  - Ten-Year Claims Development Information
- Other Supplementary Information
  - Consolidated Schedule of Revenues and Expenses by Line of Coverage

## INDEPENDENT AUDITOR'S REPORT

The Members' Supervisory Board  
Virginia Risk Sharing Association

### Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Virginia Risk Sharing Association and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 will always detect a material misstatement

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, Continued**

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Virginia Risk Sharing Association and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis, on pages 19 through 24, 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 is the responsibility of management and 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.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic consolidated information and our auditor's report thereon. Our opinions on the basic consolidated financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022, 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 solely 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.



December 28, 2022  
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, 2022 and 2021

### ANNUAL COMPREHENSIVE 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 comprehensive financial report presents a discussion and analysis of the Pool's financial performance during the fiscal years ended June 30, 2022 and 2021. Please read it in conjunction with your review of the Pool's consolidated financial statements.

### FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2022

- For the year ended June 30, 2022 the change in net position was (\$37,769,882) as compared to changes in net position of \$2,326,528 in 2021 and \$18,544,110 in 2020. This brings total net position as of June 30, 2022 to \$104,474,816, which represents a 26.6% decrease as compared to June 30, 2021. The increase in net position from June 30, 2020 to June 30, 2021 was 1.7%.
- Operating revenues increased 5.6% or \$3,356,335 in 2022 following an increase of 1.7% or \$990,016 in 2021. 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 2022 and 2021 are attributable to changes in these factors.
- Operating expenses increased 11.8% or \$7,649,930 in 2022 following an increase of 7.3% or \$4,409,900 in 2021. Operating expenses consists of provision for losses, reinsurance, program administration fees and other expenses. Provision for losses represents 65.8% of the Pool's operating expenses for 2022 and 66.8% of operating expenses for 2021. The provision for losses increased \$4,413,227 in 2022 from 2021 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 \$35,929,196 during 2022, following a decrease of \$12,797,698 in 2021. Non-operating income consists of investment income, net increase or decrease in fair value of investments and non-operating expenses. Investment income decreased \$566,734 or 6.9% in 2022 and decreased \$1,044,909 or 11.3% in 2021. The fair value of investments decreased \$35,362,462 for a total loss of \$35,212,149 in 2022 from the gain of \$150,313 in 2021. 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, 2022 and 2021

**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, 2022 and 2021

**FINANCIAL ANALYSIS OF THE POOL**

|                                     | June 30,<br>2022     | June 30,<br>2021     | 2022-2021<br>Percentage<br>change | June 30,<br>2020     | 2021-2020<br>Percentage<br>change |
|-------------------------------------|----------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
| Current assets                      | \$ 74,676,849        | \$ 71,963,955        | 3.8%                              | \$ 58,250,168        | 23.5%                             |
| Capital assets                      | 3,944,551            | 4,485,013            | (12.1)                            | 4,803,237            | (6.6)                             |
| Noncurrent assets                   | <u>270,546,248</u>   | <u>291,054,937</u>   | (7.0)                             | <u>292,918,857</u>   | (0.6)                             |
| Total assets                        | <u>349,167,648</u>   | <u>367,503,905</u>   | (5.0)                             | <u>355,972,262</u>   | 3.2                               |
| Current liabilities                 | 35,144,610           | 29,765,280           | 18.1                              | 31,614,324           | (5.8)                             |
| Noncurrent liabilities              | <u>209,548,222</u>   | <u>195,493,927</u>   | 7.2                               | <u>184,439,768</u>   | 6.0                               |
| Total liabilities                   | <u>244,692,832</u>   | <u>225,259,207</u>   | 8.6                               | <u>216,054,092</u>   | 4.3                               |
| Net Position:                       |                      |                      |                                   |                      |                                   |
| Net investment in<br>capital assets | 3,944,551            | 4,485,013            | (12.1)                            | 4,803,237            | (6.6)                             |
| Unrestricted                        | 79,817,169           | 117,674,649          | (32.2)                            | 115,622,967          | 1.8                               |
| Restricted by regulation            | <u>20,713,096</u>    | <u>20,085,036</u>    | 3.1                               | <u>19,491,966</u>    | 3.0                               |
| Total net position                  | <u>\$104,474,816</u> | <u>\$142,244,698</u> | (26.6)                            | <u>\$139,918,170</u> | 1.7                               |

**Comments**

- Total assets decreased 5.0% or \$18,336,257 and increased 3.2% or \$11,531,643 at June 30, 2022 and June 30, 2021 as compared to prior years, respectively. The decrease and increase in investments accounts for most of the changes in total assets in both 2022 and 2021, respectively. 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 negatively and favorably impacted investment balances in 2022 and 2021, respectively.
- Total liabilities increased 8.6% or \$19,433,625 and 4.3% or \$9,205,115 at June 30, 2022 and June 30, 2021 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 decreased 26.6% or (\$37,769,882) and increased 1.7% or \$2,326,528 at June 30, 2022 and at June 30, 2021 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 \$628,060 and \$593,070 for the years ended June 30, 2022 and 2021, respectively, in accordance with the Commission's regulations.

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

June 30, 2022 and 2021

**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

|  | <u>2022</u>           | <u>2021</u>           | <u>2022-2021<br/>Percentage<br/>change</u> | <u>2020</u>           | <u>2021-2020<br/>Percentage<br/>change</u> |
|--|-----------------------|-----------------------|--|-----------------------|--|
| <b>Operating revenues:</b>                       |                       |                       |  |                       |  |
| Member contributions                             | \$ 62,803,699         | \$ 59,511,531         | 5.5%                                       | \$ 58,509,432         | 1.7%                                       |
| Miscellaneous Income, net                        | <u>301,631</u>        | <u>237,464</u>        | 27.0                                       | <u>249,547</u>        | (4.8)                                      |
| Total Operating revenues                         | <u>63,105,330</u>     | <u>59,748,995</u>     | 5.6  | <u>58,758,979</u>     | 1.7  |
| <b>Operating expenses:</b>                       |                       |                       |  |                       |  |
| Provision for losses and loss adjustment expense | 47,797,515            | 43,384,288            | 10.2                                       | 38,920,451            | 11.5                                       |
| Program administration costs                     | 12,463,344            | 11,550,679            | 7.9  | 11,439,710            | 1.0  |
| Reinsurance premiums                             | <u>12,354,288</u>     | <u>10,030,250</u>     | 23.2                                       | <u>10,195,156</u>     | (1.6)                                      |
| Total operating expenses                         | <u>72,615,147</u>     | <u>64,965,217</u>     | 11.8                                       | <u>60,555,317</u>     | 7.3  |
| Operating loss                                   | <u>(9,509,817)</u>    | <u>(5,216,222)</u>    | 82.3                                       | <u>(1,796,338)</u>    | 190.4                                      |
| <b>Non-operating revenues:</b>                   |                       |                       |  |                       |  |
| Investment income                                | 7,645,007             | 8,211,741             | (6.9)                                      | 9,256,650             | (11.3)                                     |
| Net increase in fair value of investments        | <u>(35,212,149)</u>   | <u>150,313</u>        | (23,525.9)                                 | <u>11,793,556</u>     | (98.7)                                     |
| Net nonoperating revenues                        | <u>(27,567,142)</u>   | <u>8,362,054</u>      | (429.7)                                    | <u>21,050,206</u>     | (60.3)                                     |
| <b>Non-operating expenses:</b>                   |                       |                       |  |                       |  |
| Other nonoperating expenses                      | <u>692,923</u>        | <u>819,304</u>        | (15.4)                                     | <u>709,758</u>        | 15.4                                       |
| Non-operating income                             | <u>(28,260,065)</u>   | <u>7,542,750</u>      | (474.7)                                    | <u>20,340,448</u>     | (62.9)                                     |
| Change in net position                           | (37,769,882)          | 2,326,528             | (1,723.4)                                  | 18,544,110            | (87.5)                                     |
| <b>Net position:</b>                             |                       |                       |  |                       |  |
| Beginning of year                                | <u>142,244,698</u>    | <u>139,918,170</u>    | 1.7  | <u>121,374,060</u>    | 15.3                                       |
| End of year                                      | <u>\$ 104,474,816</u> | <u>\$ 142,244,698</u> | (26.6)                                     | <u>\$ 139,918,170</u> | 1.7  |

**Comments**

- Member contributions increased 5.5% or \$3,292,168 during the year ended June 30, 2022 and 1.7% or \$1,002,009 during the year ended June 30, 2021. 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 2022 and 2021 are attributable to changes in these factors.

## Virginia Risk Sharing Association and Subsidiaries

### Management's Discussion and Analysis, Continued

June 30, 2022 and 2021

- Miscellaneous income increased 27.0% or \$64,167 in 2022 and decreased 4.8% or \$12,038 in 2021. 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 2022 was primarily due to an increase in compensation for placing coverages outside of the Pool. The Pool utilizes a 3rd party vendor to negotiate the cost of prescriptions related to Workers Compensation claims.
- Provision for losses increased by 10.2% or \$4,413,227 for the year ended June 30, 2022 and increased 11.5% or \$4,463,837 for the year ended June 30, 2021. 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 2022 was \$47,797,515. This represented a loss ratio (losses and loss adjustment expenses incurred divided by net member contributions) of 76.1% for 2022. The provision for losses and loss adjustment expenses in 2021 were \$43,384,288. This represented a loss ratio of 72.9% for 2021. 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 \$15,072,780 for accident years 2021 and prior emerged in 2022 and \$12,519,000 of favorable development in the reserves for accident years 2020 and prior emerged in 2021. 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 47.5% to \$1,878,490 for the year ended June 30, 2022 and increased 9.8% or \$1,273,146 for the year ended June 30, 2021. 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 7.9% or \$912,665 and 1.0% or \$110,969 for the years ended June 30, 2022 and 2021, 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 2022 and 2021 are attributable to changes in these costs.
- Reinsurance premiums increased 23.2% or \$2,324,038 for the year ended June 30, 2022 and decreased 1.6% or \$164,906 for the year ended June 30, 2021. 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 2022 and 2021 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, 2022 and 2021

- Investment income decreased 6.9% or \$566,734 for the year ended June 30, 2022 and decreased 11.3% or \$1,044,909 for the year ended June 30, 2021. 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 changes in 2022 and 2021 are attributable to changes in these factors.
- The fair value of investments decreased \$35,212,149 in 2022 and increased 150,313 in 2021. 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 decreased 15.4% or \$126,381 in 2022 and increased 15.4% or \$109,546 in 2021. The decrease and increase in each year is due primarily to changes in investment fees and grants. Investment fees are based on the fair value of investments as well as the rates charged by the investment manager. The grant program is approved each year by the Board with the overall amount based on available Pool resources. Grants are awarded to members to assist with their individual loss control efforts.

#### **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](http://www.vrsa.us).

# Virginia Risk Sharing Association and Subsidiaries

## Consolidated Statements of Net Position

| Assets  | As of June 30,        |                       |
|---|-----------------------|-----------------------|
|   | <u>2022</u>           | <u>2021</u>           |
| Current assets:   |                       |                       |
| Cash and cash equivalents                                   | \$ 24,237,275         | \$ 18,642,643         |
| Investments   | 42,130,234            | 44,439,626            |
| Accounts and contributions receivable                       | 527,679               | 1,074,063             |
| Accrued interest receivable                                 | 1,347,949             | 1,291,316             |
| Reinsurance receivable                                      | 5,607,611             | 6,436,462             |
| Prepaid expenses  | 826,101               | 79,845                |
| Total current assets  | <u>74,676,849</u>     | <u>71,963,955</u>     |
| Noncurrent assets:  |                       |                       |
| Capital Assets  |                       |                       |
| Building and improvements                                   | 4,808,593             | 4,808,593             |
| Furniture and equipment                                     | 2,308,958             | 2,308,958             |
| Less accumulated depreciation                               | (3,173,000)           | (2,632,538)           |
|   | <u>3,944,551</u>      | <u>4,485,013</u>      |
| Investments   | 270,386,248           | 290,894,937           |
| Restricted deposit  | 160,000               | 160,000               |
| Total non-current assets                                    | <u>274,490,799</u>    | <u>295,539,950</u>    |
| Total assets  | <u>\$ 349,167,648</u> | <u>\$ 367,503,905</u> |
| Liabilities and Net Position                                |                       |                       |
| Current liabilities:  |                       |                       |
| Liability for unpaid losses, net                            | \$ 29,949,803         | \$ 26,658,262         |
| Contributions collected in advance                          | 3,370,875             | 1,247,713             |
| Reinsurance payable   | 12,446                | 77,595                |
| Other liabilities   | 1,811,486             | 1,781,710             |
| Total current liabilities                                   | <u>35,144,610</u>     | <u>29,765,280</u>     |
| Noncurrent liabilities:                                     |                       |                       |
| Liability for unpaid losses, net                            | 209,548,222           | 195,493,927           |
| Total liabilities   | <u>244,692,832</u>    | <u>225,259,207</u>    |
| Net position:   |                       |                       |
| Net investment in capital assets                            | 3,944,551             | 4,485,013             |
| Unrestricted  | 79,817,169            | 117,674,649           |
| Restricted by regulation - contingency reserve (see Note E) | 20,713,096            | 20,085,036            |
| Total net position  | <u>104,474,816</u>    | <u>142,244,698</u>    |
| Total liabilities and net position                          | <u>\$ 349,167,648</u> | <u>\$ 367,503,905</u> |

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>2022</u>           | <u>2021</u>           |
| Operating revenues:                                  |                       |                       |
| Member contributions                                 | \$ 62,803,699         | \$ 59,511,531         |
| Miscellaneous income, net                            | <u>301,631</u>        | <u>237,464</u>        |
| Total operating revenues                             | 63,105,330            | 59,748,995            |
| Operating expenses:                                  |                       |                       |
| Provision for losses and loss adjustment expenses    | 47,797,515            | 43,384,288            |
| Program administration fees                          | 12,463,344            | 11,550,679            |
| Reinsurance premiums                                 | <u>12,354,288</u>     | <u>10,030,250</u>     |
| Total operating expenses                             | <u>72,615,147</u>     | <u>64,965,217</u>     |
| Operating loss                                       | (9,509,817)           | (5,216,222)           |
| Non-operating revenues and losses:                   |                       |                       |
| Investment Income                                    | 7,645,007             | 8,211,741             |
| Net increase (decrease) in fair value of investments | <u>(35,212,149)</u>   | <u>150,313</u>        |
| Total nonoperating revenues (losses)                 | (27,567,142)          | 8,362,054             |
| Non-operating expenses                               | <u>692,923</u>        | <u>819,304</u>        |
| Non-operating income (loss), net                     | <u>(28,260,065)</u>   | <u>7,542,750</u>      |
| Change in net position                               | (37,769,882)          | 2,326,528             |
| Net position at beginning of year                    | <u>142,244,698</u>    | <u>139,918,170</u>    |
| Net position at end of year                          | <u>\$ 104,474,816</u> | <u>\$ 142,244,698</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>2022</u>            | <u>2021</u>          |
| Cash flows from operating activities:                      |                        |                      |
| Receipts from members                                      | \$ 65,473,245          | \$ 55,710,788        |
| Payments for reinsurance premiums                          | (12,419,437)           | (9,996,128)          |
| Receipts from reinsured claims                             | 14,456,964             | 7,347,549            |
| Payments for claims and claims adjustment expenses         | (44,079,792)           | (38,423,879)         |
| Receipts from miscellaneous income, net                    | 301,631                | 237,464              |
| Payments for administrative and general expenses           | (12,639,362)           | (10,786,371)         |
| Net cash provided by operating activities                  | <u>11,093,249</u>      | <u>4,089,423</u>     |
| Cash flows from noncapital financing activities:           |                        |                      |
| Risk management grants                                     | (273,413)              | (374,994)            |
| Net cash used for noncapital financing activities          | <u>(273,413)</u>       | <u>(374,994)</u>     |
| Cash flows from capital and related financing activities:  |                        |                      |
| Purchase of property and equipment                         | -                      | (216,536)            |
| Net cash used for capital and related financing activities | <u>-</u>               | <u>(216,536)</u>     |
| Cash flows from investing activities:                      |                        |                      |
| Proceeds from calls and maturities of investments          | 75,448,378             | 170,696,343          |
| Purchases of investments                                   | (87,842,446)           | (179,825,792)        |
| Investment income  | 7,168,864              | 7,942,083            |
| Net cash used for investing activities                     | <u>(5,225,204)</u>     | <u>(1,187,366)</u>   |
| Net change in cash and cash equivalents                    | 5,594,632              | 2,310,527            |
| Cash and cash equivalents:                                 |                        |                      |
| Beginning of year  | 18,642,643             | 16,332,116           |
| End of year  | <u>\$ 24,237,275</u>   | <u>\$ 18,642,643</u> |
| Reconciliation of operating loss to net cash               |                        |                      |
| from operating activities:                                 |                        |                      |
| Operating loss   | (\$9,509,817)          | (\$5,216,222)        |
| Adjustments to reconcile operating loss to net cash        |                        |                      |
| provided by operating activities:                          |                        |                      |
| Depreciation expense                                       | 540,462                | 534,760              |
| Provision for losses                                       | 17,345,836             | 12,561,544           |
| Changes in assets and liabilities:                         |                        |                      |
| Accounts and contributions receivable                      | 546,384                | (151,404)            |
| Reinsurance receivable                                     | 828,851                | (253,586)            |
| Other prepaids   | (746,256)              | (29,240)             |
| Contributions collected in advance                         | 2,123,162              | (3,649,339)          |
| Reinsurance payable  | (65,149)               | 34,122               |
| Other liabilities  | 29,776                 | 258,788              |
| Net cash provided by operating activities                  | <u>\$ 11,093,249</u>   | <u>\$ 4,089,423</u>  |
| Noncash investing activities:                              |                        |                      |
| Increase (decrease) in fair value of investments           | <u>\$ (35,212,149)</u> | <u>\$ 150,313</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, 2022 included 479 cities, towns, counties, and other political subdivisions. Pool membership as of June 30, 2021 included 478 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 ACFR.

### **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, 2022 and 2021, \$242,965 and \$242,337, 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, 2022 and 2021, 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 and directors can carry over a maximum of 90 days of accumulated leave at year end. Compensated absences balances decreased \$81,942 during 2022 and increased \$247,984 during 2021.

#### *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, 2022 and 2021. 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 \$22,425,565 and \$20,676,491 as of June 30, 2022 and 2021, respectively, and is netted against the liability for unpaid losses on the consolidated statements of net position. The increase of 8.46% in 2022 is due to the normal development on several complex claims that will take time to settle. As of June 30, 2022 and 2021, the total reinsurance recoverable on paid losses was \$5,607,611 and \$6,436,462, 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 2022, 2021 and 2020.

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, 2022, 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, 2022 and 2021.

#### *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, 2022 and 2021. 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 28, 2022, 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.

# Virginia Risk Sharing Association and Subsidiaries

## Notes to Consolidated Financial Statements, Continued

### Note C – Affiliated Organizations and Related-Party Transactions

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>2022</u>           | <u>2021</u>           |
|------------------|-----------------------|-----------------------|
| Mutual Funds:    |                       |                       |
| Large Cap Value  | \$ 24,065,794         | \$ 24,767,853         |
| Bond Funds       | <u>13,389,011</u>     | <u>15,080,391</u>     |
| Subtotal         | <u>37,454,805</u>     | <u>39,848,244</u>     |
| Debt Securities: |                       |                       |
| US Treasuries    | 70,984,432            | 59,987,637            |
| Corporates       | 101,822,341           | 113,629,804           |
| Municipals       | 14,584,965            | 23,533,883            |
| US Agency MBS    | 49,906,647            | 59,491,018            |
| Asset Backed     | 29,139,509            | 27,224,227            |
| CMO              | 941,271               | 2,604,256             |
| CMBS             | <u>7,842,513</u>      | <u>9,175,495</u>      |
| Subtotal         | <u>275,221,678</u>    | <u>295,646,320</u>    |
|                  | <u>\$ 312,676,482</u> | <u>\$ 335,494,563</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 I) for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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.

|               | 2022                       |  |                            |                        |                       |
|---------------|----------------------------|--|----------------------------|------------------------|-----------------------|
|               | Due in one year<br>or less | Due after one year<br>through five years | Due after five             |                        | Total                 |
|               |                            |  | years through ten<br>years | Due after ten<br>years |                       |
| US Treasuries | \$ 39,432                  | \$ 19,496,971                            | \$ 51,271,497              | \$ 176,532             | \$ 70,984,432         |
| Corporates    | 2,182,644                  | 40,014,848                               | 59,324,928                 | 299,921                | 101,822,341           |
| Municipals    | 726,984                    | 6,753,324                                | 7,104,657                  | -                      | 14,584,965            |
| US Agency MBS | -                          | 41,893                                   | 1,645,163                  | 48,219,591             | 49,906,647            |
| Asset Backed  | 438,023                    | 17,679,486                               | -                          | 11,022,000             | 29,139,509            |
| CMO           | -                          | -  | -                          | 941,271                | 941,271               |
| CMBS          | 1,288,346                  | -  | -                          | 6,554,167              | 7,842,513             |
|               | <u>\$ 4,675,429</u>        | <u>\$ 83,986,522</u>                     | <u>\$ 119,346,245</u>      | <u>\$ 67,213,482</u>   | <u>\$ 275,221,678</u> |

|               | 2021                       |  |                            |                        |                       |
|---------------|----------------------------|--|----------------------------|------------------------|-----------------------|
|               | Due in one year<br>or less | Due after one year<br>through five years | Due after five             |                        | Total                 |
|               |                            |  | years through ten<br>years | Due after ten<br>years |                       |
| US Treasuries | \$ 75,097                  | \$ 25,314,758                            | \$ 34,538,304              | \$ 59,478              | \$ 59,987,637         |
| Corporates    | 736,833                    | 41,308,968                               | 68,532,531                 | 3,051,472              | 113,629,804           |
| Municipals    | 3,647,412                  | 13,729,044                               | 6,157,427                  | -                      | 23,533,883            |
| US Agency MBS | -                          | 71,716                                   | 806,511                    | 58,612,791             | 59,491,018            |
| Asset Backed  | 132,040                    | 21,927,470                               | 5,164,717                  | -                      | 27,224,227            |
| CMO           | -                          | -  | -                          | 2,604,256              | 2,604,256             |
| CMBS          | -                          | -  | -                          | 9,175,495              | 9,175,495             |
|               | <u>\$ 4,591,382</u>        | <u>\$ 102,351,956</u>                    | <u>\$ 115,199,490</u>      | <u>\$ 73,503,492</u>   | <u>\$ 295,646,320</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, 2022   |                         | As of June 30, 2021   |                         |
|-----------------|--------|-----------------------|-------------------------|-----------------------|-------------------------|
|                 |        | Amount                | Percentage of Portfolio | Amount                | Percentage of Portfolio |
| U.S. Treasuries |        | \$ 70,984,432         | 25.79%                  | \$ 59,987,637         | 20.29%                  |
| Corporates      | AAA    | -                     | 0.00%                   | 723,144               | 0.25%                   |
| Corporates      | AA     | 12,808,229            | 4.66%                   | 8,707,555             | 2.95%                   |
| Corporates      | A      | 67,045,372            | 24.36%                  | 62,149,473            | 21.02%                  |
| Corporates      | BBB    | 21,968,740            | 7.98%                   | 33,520,494            | 11.34%                  |
| Corporates      | BB     | -                     | 0.00%                   | 8,529,138             | 2.88%                   |
| Municipals      | AAA    | 187,535               | 0.07%                   | 208,952               | 0.07%                   |
| Municipals      | AA     | 13,513,654            | 4.91%                   | 21,801,087            | 7.37%                   |
| Municipals      | A      | 883,776               | 0.32%                   | 1,523,844             | 0.52%                   |
| U.S. Agency MBS | AA     | 49,906,647            | 18.13%                  | 59,491,018            | 20.12%                  |
| Asset Backed    | AAA    | 29,139,509            | 10.59%                  | 27,224,227            | 9.21%                   |
| CMO             | AA     | 941,271               | 0.34%                   | 2,604,256             | 0.88%                   |
| CMBS            | AAA    | 7,842,513             | 2.85%                   | 9,175,495             | 3.10%                   |
|                 |        | <u>\$ 275,221,678</u> | <u>100.00%</u>          | <u>\$ 295,646,320</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:

|                   | 2022           |                    | 2021           |                    |
|-------------------|----------------|--------------------|----------------|--------------------|
|                   | Fair Value     | Effective Duration | Fair Value     | Effective Duration |
| U.S. Treasuries   | \$ 70,984,432  | 6.01               | \$ 59,987,637  | 5.83               |
| Corporates        | 101,822,341    | 4.99               | 113,629,804    | 5.44               |
| Municipals        | 14,584,965     | 4.14               | 23,533,883     | 3.18               |
| U.S. Agency MBS   | 49,906,647     | 5.73               | 59,491,018     | 4.07               |
| Asset Backed      | 29,139,509     | 0.51               | 27,224,227     | 1.71               |
| CMO               | 941,271        | 2.24               | 2,604,256      | 1.49               |
| CMBS              | 7,842,513      | 4.27               | 9,175,495      | 5.32               |
| Total Investments | \$ 275,221,678 |                    | \$ 295,646,320 |                    |

The effective duration of the custom benchmark at June 30, 2022 and 2021 was 5.06 and 4.68, respectively.

#### Note E – Net Position

In accordance with regulations of the Commission, at June 30, 2022 and 2021, 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 \$628,060 and \$593,070 as additional contingency reserve in 2022 and 2021, 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:

|  | 2022           | 2021           |
|--|----------------|----------------|
| Liability for unpaid losses, net at beginning of year                                    | \$ 222,152,189 | \$ 209,590,645 |
| Provisions for losses:   |                |                |
| Provision for insured events of the current year   | 62,870,298     | 55,903,289     |
| Reduction in provision for insured events of prior years                                 | (15,072,783)   | (12,519,001)   |
| Total provision for losses   | 47,797,515     | 43,384,288     |
| Payments:  |                |                |
| Claims and claims adjustment expenses attributable to insured events of the current year | 11,790,663     | 11,625,063     |
| Claims and claims adjustment expenses attributable to insured events of the prior years  | 18,661,016     | 19,197,681     |
| Total payments   | 30,451,679     | 30,822,744     |
| Liability for unpaid losses, net, at end of year   | \$ 239,498,025 | \$ 222,152,189 |

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, 2022, fund years 2013-2014 through 2020-2021 experienced favorable development of \$10,672,606 with funds years 2018-2019 through 2020-2021 accounting for more than half that total. 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, 2022 and 2021, 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 2022 or 2021. 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, 2022 and 2021 was as follows:

#### Capital assets as of June 30, 2022

|  | Beginning<br>Balance | Increases           | Decreases   | Ending<br>Balance   |
|--|----------------------|---------------------|-------------|---------------------|
| Capital assets, being depreciated:           |                      |                     |             |                     |
| Building and improvements                    | \$ 4,808,593         | \$ -                | \$ -        | \$ 4,808,593        |
| Furniture and equipment                      | 2,308,958            | -                   | -           | 2,308,958           |
| Total capital assets, being depreciated      | <u>7,117,551</u>     | <u>-</u>            | <u>-</u>    | <u>7,117,551</u>    |
| Less accumulated depreciation for:           |                      |                     |             |                     |
| Building and improvements                    | (1,439,810)          | (132,149)           | -           | (1,571,959)         |
| Furniture and equipment                      | (1,192,728)          | (408,313)           | -           | (1,601,041)         |
| Total accumulated depreciation               | <u>(2,632,538)</u>   | <u>(540,462)</u>    | <u>-</u>    | <u>(3,173,000)</u>  |
| Total capital assets, being depreciated, net | <u>\$ 4,485,013</u>  | <u>\$ (540,462)</u> | <u>\$ -</u> | <u>\$ 3,944,551</u> |

#### Capital assets as of June 30, 2021

|  | Beginning<br>Balance | Increases           | Decreases          | Ending<br>Balance   |
|--|----------------------|---------------------|--------------------|---------------------|
| Capital assets, being depreciated:           |                      |                     |                    |                     |
| Building and improvements                    | \$ 4,748,751         | \$ 59,842           | \$ -               | \$ 4,808,593        |
| Furniture and equipment                      | 3,598,595            | 156,694             | (1,446,331)        | 2,308,958           |
| Total capital assets, being depreciated      | <u>8,347,346</u>     | <u>216,536</u>      | <u>(1,446,331)</u> | <u>7,117,551</u>    |
| Less accumulated depreciation for:           |                      |                     |                    |                     |
| Building and improvements                    | (1,313,689)          | (126,121)           | -                  | (1,439,810)         |
| Furniture and equipment                      | (2,230,420)          | (408,639)           | 1,446,331          | (1,192,728)         |
| Total accumulated depreciation               | <u>(3,544,109)</u>   | <u>(534,760)</u>    | <u>1,446,331</u>   | <u>(2,632,538)</u>  |
| Total capital assets, being depreciated, net | <u>\$ 4,803,237</u>  | <u>\$ (318,224)</u> | <u>\$ -</u>        | <u>\$ 4,485,013</u> |

### Note H - 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, 2022 and 2021, no allowance for doubtful collection was recorded by the Pool based on management's analysis of contributions receivable.

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

**Note I – 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, 2022 and 2021.

**Note J – 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, Continued Years Ended June 30, 2022 and 2021

| 2022   | 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                                    | \$ 10,790,764     | \$ 16,027,807              | \$ 5,826,076              | \$ 16,347,820 | \$ 3,579,903 | \$ 90,723            | \$ 229,713       | \$ 55,675    | \$ 109,042 | \$ 21,895,440 | \$ 147,199,226       | \$ 222,152,189 |
| Provisions for losses:   |                   |                            |                           |               |              |                      |                  |              |            |               |                      |                |
| Provision for insured events of the current year   | 3,739,807         | 4,087,457                  | 1,783,649                 | 11,044,278    | 8,332,215    | 263,952              | 152,884          | -            | 954,281    | 5,624,164     | 26,887,611           | 62,870,298     |
| Increase (reduction) in provision for insured events of prior years                      | (1,970,377)       | 668,059                    | 421,465                   | (542,113)     | (328,553)    | (25,977)             | (161,544)        | -            | (53,029)   | 1,698,874     | (14,779,588)         | (15,072,783)   |
| Total provision for losses   | 1,769,430         | 4,755,516                  | 2,205,114                 | 10,502,165    | 8,003,662    | 237,975              | (8,660)          | -            | 901,252    | 7,323,038     | 12,108,023           | 47,797,515     |
| Payments:  |                   |                            |                           |               |              |                      |                  |              |            |               |                      |                |
| Claims and claims adjustment expenses attributable to insured events of the current year | 808,967           | 56,524                     | 5,765                     | 3,778,686     | 3,441,222    | 98,356               | -                | -            | 204,781    | 190,659       | 3,205,703            | 11,790,663     |
| Claims and claims adjustment expenses attributable to insured events of the prior years  | 1,572,841         | 3,560,031                  | 3,791,472                 | 342,821       | 1,365,365    | 100,000              | 7,940            | 609,253      | -          | 904,258       | 6,407,035            | 18,661,016     |
| Total payments   | 2,381,808         | 3,616,555                  | 3,797,237                 | 4,121,507     | 4,806,587    | 198,356              | 7,940            | 609,253      | 204,781    | 1,094,917     | 9,612,738            | 30,451,679     |
| Liability for unpaid losses, net at end of year  | \$ 10,178,386     | \$ 17,166,768              | \$ 4,233,953              | \$ 22,728,478 | \$ 6,776,978 | \$ 130,342           | \$ 213,113       | \$ (553,578) | \$ 805,513 | \$ 28,123,561 | \$ 149,694,511       | \$ 239,498,025 |

## Virginia Risk Sharing Association and Subsidiaries

### Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract, Continued Years Ended June 30, 2022 and 2021

| 2021   | 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                                    | \$ 9,772,121      | \$ 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 |
| Provisions for losses:   |                   |                            |                           |               |              |                      |                  |           |            |               |                      |                |
| Provision for insured events of the current year   | 3,893,074         | 4,801,293                  | 2,405,250                 | 8,067,187     | 4,176,925    | 295,364              | 100,219          | -         | -          | 3,852,731     | 28,311,246           | 55,903,289     |
| Increase (reduction) in provision for insured events of prior years                      | 271,089           | (1,085,829)                | 838,770                   | (1,064,114)   | 889,488      | (91,778)             | (199,802)        | -         | (350,000)  | 842,223       | (12,569,048)         | (12,519,001)   |
| Total provision for losses   | 4,164,163         | 3,715,464                  | 3,244,020                 | 7,003,073     | 5,066,413    | 203,586              | (99,583)         | -         | (350,000)  | 4,694,954     | 15,742,198           | 43,384,288     |
| Payments:  |                   |                            |                           |               |              |                      |                  |           |            |               |                      |                |
| Claims and claims adjustment expenses attributable to insured events of the current year | 1,157,960         | 302,257                    | 58,623.00                 | 2,860,993     | 2,427,492    | 170,476              | -                | -         | -          | 138,739       | 4,508,523            | 11,625,063     |
| Claims and claims adjustment expenses attributable to insured events of the prior years  | 1,987,560         | 2,716,148                  | 956,592                   | 5,092,859     | 3,184,089    | 212,576              | (22,601)         | -         | (63,316)   | 724,198       | 4,409,576            | 19,197,681     |
| Total payments   | 3,145,520         | 3,018,405                  | 1,015,215                 | 7,953,852     | 5,611,581    | 383,052              | (22,601)         | -         | (63,316)   | 862,937       | 8,918,099            | 30,822,744     |
| Liability for unpaid losses, net at end of year  | \$ 10,790,764     | \$ 16,027,807              | \$ 5,826,076              | \$ 16,347,820 | \$ 3,579,903 | \$ 90,723            | \$ 229,713       | \$ 55,675 | \$ 109,042 | \$ 21,895,440 | \$ 147,199,226       | \$ 222,152,189 |



# 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,

|  | 2022          | 2021          | 2020          | 2019           | 2018           | 2017           | 2016           | 2015          | 2014          | 2013           |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|
| 1. Contribution and investment revenue:                                |               |               |               |                |                |                |                |               |               |                |
| Earned   | \$ 35,538,188 | \$ 68,111,049 | \$ 79,809,185 | \$ 78,673,166  | \$ 56,097,872  | \$ 56,582,646  | \$ 65,402,240  | \$ 59,354,649 | \$ 65,320,015 | \$ 56,320,239  |
| Ceded  | 12,354,288    | 10,030,250    | 10,195,156    | 9,747,562      | 9,533,805      | 10,011,251     | 10,356,696     | 10,562,088    | 10,635,462    | 9,265,893      |
| Net earned   | 47,892,476    | 78,141,299    | 90,004,341    | 88,420,728     | 65,631,677     | 66,593,898     | 75,758,936     | 69,916,737    | 54,684,554    | 47,054,346     |
| 2. Unallocated expenses  | \$ 15,034,758 | \$ 13,643,129 | \$ 13,027,183 | \$ 12,352,291  | \$ 12,282,399  | \$ 22,697,264  | \$ 21,245,023  | \$ 12,015,708 | \$ 11,370,216 | \$ 10,507,318  |
| 3. Estimated provisions for losses, end of policy year:                |               |               |               |                |                |                |                |               |               |                |
| Incurred   | \$ 58,096,971 | \$ 55,685,133 | \$ 59,292,481 | \$ 71,686,309  | \$ 65,415,776  | \$ 54,705,678  | \$ 45,019,287  | \$ 44,885,495 | \$ 43,950,772 | \$ 43,245,717  |
| Ceded  | 667,543       | 1,021,840     | 9,774,716     | 3,131,342      | 2,564,733      | 967,328        | 266,239        | 2,120,574     | 2,750,772     | 55,813         |
| Net incurred   | \$ 57,429,428 | \$ 54,663,293 | \$ 49,517,765 | \$ 68,554,967  | \$ 62,851,043  | \$ 53,738,350  | \$ 44,753,048  | \$ 42,764,921 | \$ 41,376,329 | \$ 43,189,904  |
| 4. Paid (cumulative) at end of:  |               |               |               |                |                |                |                |               |               |                |
| Policy year  | \$ 11,769,965 | \$ 11,646,215 | \$ 12,247,158 | \$ 14,653,614  | \$ 13,551,566  | \$ 11,770,759  | \$ 9,983,946   | \$ 10,961,357 | \$ 10,058,912 | \$ 9,409,823   |
| One year later   |               | 21,607,807    | 20,691,604    | 23,123,301     | 22,280,385     | 20,272,518     | 16,945,629     | 19,281,435    | 18,147,983    | 16,093,672     |
| Two years later  |               |               | 24,065,006    | 26,169,679     | 25,981,423     | 24,313,831     | 20,725,450     | 23,889,817    | 21,564,219    | 19,987,757     |
| Three years later  |               |               |               | 27,633,908     | 29,629,322     | 26,053,924     | 23,205,857     | 24,717,188    | 23,217,996    | 22,301,837     |
| Four years later   |               |               |               |                | 31,174,326     | 27,410,255     | 24,329,532     | 25,753,567    | 25,121,314    | 23,453,565     |
| Five years later   |               |               |               |                |                | 28,365,943     | 24,424,814     | 28,348,469    | 25,614,934    | 24,136,564     |
| Six years later  |               |               |               |                |                |                | 24,774,445     | 26,628,043    | 26,808,711    | 24,430,781     |
| Seven years later  |               |               |               |                |                |                |                | 27,624,279    | 27,246,481    | 24,601,522     |
| Eight years later  |               |               |               |                |                |                |                |               | 27,313,397    | 24,759,347     |
| Nine years later   |               |               |               |                |                |                |                |               |               | 25,087,572     |
| 5. Reestimated ceded losses and expenses                               | \$ 667,543    | \$ 7,089,771  | \$ 12,523,897 | \$ 5,238,852   | \$ 3,206,745   | \$ 1,136,652   | \$ 1,050,297   | \$ 1,790,972  | \$ 8,271,578  | \$ 501,370     |
| 6. Reestimated provision for losses at end of:                         |               |               |               |                |                |                |                |               |               |                |
| Policy year  | \$ 61,116,076 | \$ 54,663,293 | \$ 49,517,765 | \$ 68,554,967  | \$ 62,851,043  | \$ 53,738,350  | \$ 44,753,048  | \$ 42,764,921 | \$ 41,376,329 | \$ 43,189,904  |
| One year later   |               | 51,894,918    | 47,875,691    | 50,560,946     | 48,685,182     | 48,519,272     | 41,199,067     | 41,320,788    | 39,619,876    | 36,865,288     |
| Two years later  |               |               | 46,990,203    | 47,635,005     | 46,706,989     | 44,927,773     | 38,318,801     | 40,296,443    | 37,563,095    | 36,650,001     |
| Three years later  |               |               |               | 44,265,369     | 46,316,934     | 41,952,147     | 36,030,304     | 38,875,204    | 35,983,021    | 35,137,465     |
| Four years later   |               |               |               |                | 45,399,649     | 33,565,829     | 34,609,790     | 36,399,974    | 34,548,027    | 34,673,181     |
| Five years later   |               |               |               |                |                | 42,576,331     | 34,872,308     | 35,834,615    | 33,468,317    | 33,548,664     |
| Six years later  |               |               |               |                |                |                | 32,606,066     | 33,160,583    | 34,075,732    | 32,066,645     |
| Seven years later  |               |               |               |                |                |                |                | 34,024,332    | 31,538,602    | 31,322,449     |
| Eight years later  |               |               |               |                |                |                |                |               | 32,305,751    | 31,391,193     |
| Nine years later   |               |               |               |                |                |                |                |               |               | 31,410,742     |
| 7. Increase (decrease) in provision for losses from end of policy year |               | (\$2,768,375) | (\$2,527,562) | (\$24,289,598) | (\$17,451,394) | (\$11,162,019) | (\$12,146,982) | (\$8,740,589) | (\$9,070,578) | (\$11,779,162) |

See accompanying independent auditor's 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, 2022

|  | 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                         | \$ 3,480,056      | 2,321,309                  | 1,255,836                 | \$ 9,291,759   | \$ 15,281,045  | \$ 1,040,050         | \$ 287,953         | \$ 3,015,604     | \$ 668,795   | \$ 4,027,886   | \$ 22,133,406        | \$ 62,803,699   |
| Miscellaneous income, net                    | 20,307            | 13,879                     | 7,508                     | 55,554         | 36,519         | 6,218                | 1,722              | 6,079            | 3,891        | 24,082         | 125,872              | 301,631         |
| Investment income                            | 514,690           | 351,767                    | 190,307                   | 1,408,055      | 925,591        | 157,607              | 43,636             | 154,068          | 98,615       | 610,378        | 3,190,292            | 7,645,007       |
| Unrealized loss on investments               | (2,370,614)       | (1,620,203)                | (876,535)                 | (6,485,364)    | (4,263,180)    | (725,923)            | (200,982)          | (709,623)        | (454,212)    | (2,811,341)    | (14,694,171)         | (35,212,149)    |
| Total revenue                                | 1,644,440         | 1,066,752                  | 577,116                   | 4,270,004      | 11,979,975     | 477,952              | 132,328            | 2,466,128        | 317,089      | 1,851,005      | 10,755,399           | 35,538,188      |
| Expenses:                                    |                   |                            |                           |                |                |                      |                    |                  |              |                |                      |                 |
| Provision (recovery) for losses              | 1,769,430         | 4,755,517                  | 2,205,114                 | 10,502,165     | 8,003,662      | 237,975              | (8,660)            | -                | 901,252      | 7,323,038      | 12,108,023           | 47,797,515      |
| Program administration fees                  | 770,766           | 474,851                    | 248,828                   | 1,979,112      | 1,656,636      | 200,699              | 57,260             | 174,204          | 161,017      | 1,030,787      | 5,709,185            | 12,463,344      |
| Excess premiums                              | 83,613            | -                          | -                         | -              | 9,173,071      | -                    | -                  | 1,998,907        | 18,033       | -              | 1,080,665            | 12,354,288      |
| Nonoperating expenses                        | 46,650            | 31,883                     | 17,249                    | 127,622        | 83,893         | 14,285               | 3,955              | 13,964           | 8,938        | 55,323         | 289,160              | 692,923         |
| Total expenses (recovery)                    | 2,670,459         | 5,262,250                  | 2,471,191                 | 12,608,899     | 18,917,261     | 452,959              | 52,555             | 2,187,076        | 1,089,240    | 8,409,148      | 19,187,032           | 73,308,070      |
| Excess (deficiency) of revenue over expenses | \$ (1,026,019)    | \$ (4,195,498)             | \$ (1,894,075)            | \$ (8,338,895) | \$ (6,937,286) | \$ 24,993            | \$ 79,773          | \$ 279,052       | \$ (772,151) | \$ (6,558,143) | \$ (8,431,633)       | \$ (37,769,882) |

See accompanying independent auditor's report.

## *Virginia Risk Sharing Association and Subsidiaries*



### **STATISTICAL SECTION**

For the Period July 1, 2021 – June 30, 2022

- 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 Annual Comprehensive 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,              | 2013                | 2014                 | 2015                | 2016                | 2017                | 2018                  | 2019                 | 2020                 | 2021                | 2022                   |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|----------------------|---------------------|------------------------|
| Operating revenues                       | \$ 53,868,539       | \$ 54,905,708        | \$ 54,747,549       | \$ 53,458,868       | \$ 54,282,483       | \$ 54,810,081         | \$ 56,189,266        | \$ 58,758,979        | \$ 59,748,995       | \$ 63,105,330          |
| Operating expenses                       | <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>    | <u>64,965,217</u>   | <u>72,615,147</u>      |
| Operating income / (loss)                | 2,161,872           | 9,423,954            | (1,606,987)         | (5,540,069)         | (475,294)           | (6,039,330)           | (2,828,446)          | (1,796,338)          | (5,216,222)         | (9,509,817)            |
| Total non-operating revenue and expenses | <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>    | <u>7,542,750</u>    | <u>(28,260,065)</u>    |
| Change in net position                   | <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> | <u>\$ 2,326,528</u> | <u>\$ (37,769,882)</u> |

**Operating Revenue**

| Fiscal Year Ending June 30, | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contributions               | \$ 53,721,867        | \$ 54,771,439        | \$ 54,526,441        | \$ 53,295,482        | \$ 54,143,947        | \$ 54,718,384        | \$ 55,984,027        | \$ 58,509,432        | \$ 59,511,531        | \$ 62,803,699        |
| Miscellaneous income, net   | <u>146,672</u>       | <u>134,269</u>       | <u>221,108</u>       | <u>163,386</u>       | <u>138,536</u>       | <u>91,697</u>        | <u>205,239</u>       | <u>249,547</u>       | <u>237,464</u>       | <u>301,631</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> | <u>\$ 59,748,995</u> | <u>\$ 63,105,330</u> |

**Operating Expenses**

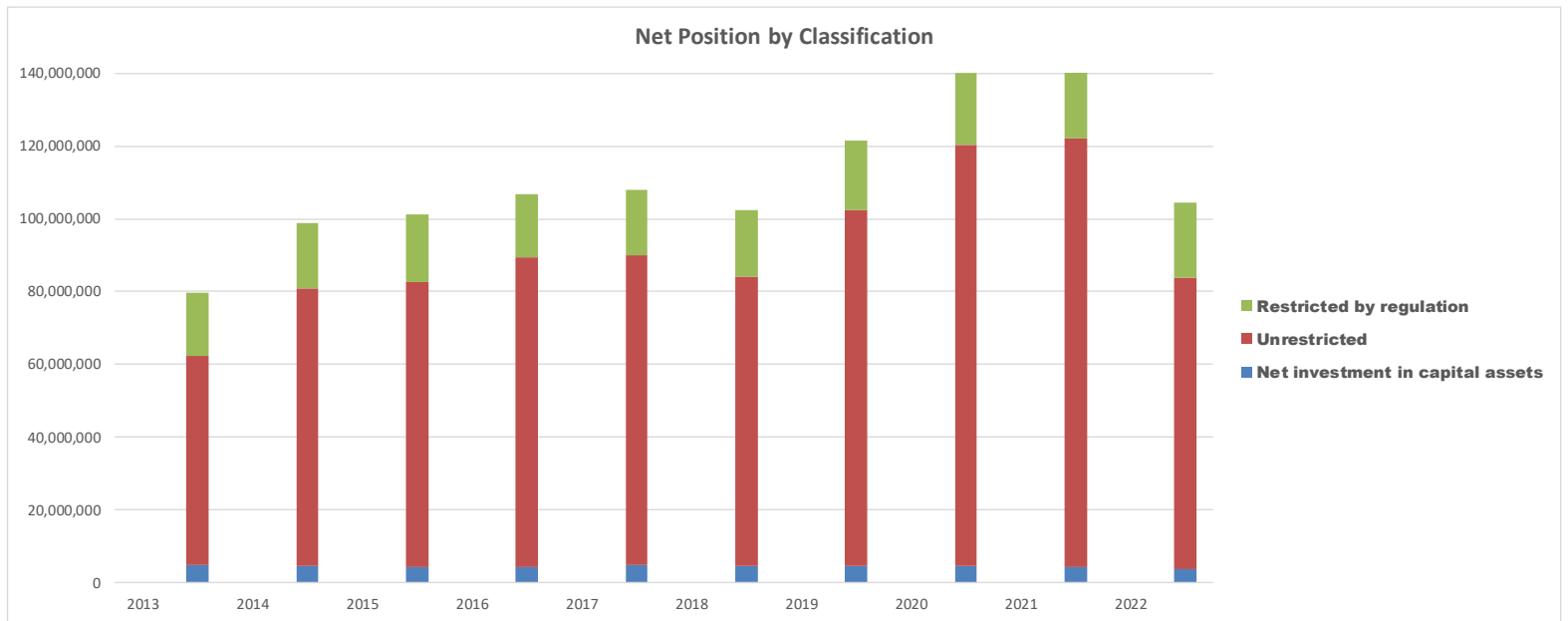
| Fiscal Year Ending June 30,  | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Ceded reinsurance            | \$ 9,265,892         | \$ 10,635,462        | \$ 10,562,088        | \$ 10,356,696        | \$ 10,011,251        | \$ 9,533,805         | \$ 9,747,562         | \$ 10,195,156        | \$ 10,030,250        | \$ 12,354,288        |
| Program administrative costs | 8,765,900            | 9,628,206            | 10,321,741           | 10,261,619           | 10,752,889           | 11,071,931           | 11,270,664           | 11,439,710           | 11,550,679           | 12,463,344           |
| Provision for losses & LAE   | <u>33,674,875</u>    | <u>25,218,086</u>    | <u>35,470,707</u>    | <u>38,380,622</u>    | <u>33,993,637</u>    | <u>40,243,675</u>    | <u>37,999,486</u>    | <u>38,920,451</u>    | <u>43,384,288</u>    | <u>47,797,515</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> | <u>\$ 64,965,217</u> | <u>\$ 72,615,147</u> |

**Non-Operating Revenue and Expenses**

| Fiscal Year Ending June 30, | 2013                | 2014                | 2015                | 2016                 | 2017                | 2018              | 2019                 | 2020                 | 2021                | 2022                   |
|-----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-------------------|----------------------|----------------------|---------------------|------------------------|
| Investment income           | \$ 7,917,366        | \$ 7,195,198        | \$ 7,175,278        | \$ 7,838,810         | \$ 7,980,980        | \$ 8,305,543      | \$ 8,945,197         | \$ 9,256,650         | \$ 8,211,741        | \$ 7,645,007           |
| Unrealized gains / (losses) | (5,483,895)         | 3,194,848           | (2,568,178)         | 4,104,563            | (5,680,816)         | (7,017,753)       | 13,538,703           | 11,793,556           | 150,313             | (35,212,149)           |
| Other expenses              | <u>708,664</u>      | <u>702,221</u>      | <u>706,365</u>      | <u>823,838</u>       | <u>755,836</u>      | <u>696,232</u>    | <u>700,081</u>       | <u>709,758</u>       | <u>819,304</u>      | <u>692,923</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> | <u>\$ 7,542,750</u> | <u>\$ (28,260,065)</u> |

## Virginia Risk Sharing Association and Subsidiaries Net Position by Classification

| Fiscal Year Ending June 30,      | 2013                 | 2014                 | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  |
|----------------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net investment in capital assets | \$ 5,021,022         | \$ 4,816,870         | \$ 4,525,562          | \$ 4,378,285          | \$ 4,890,570          | \$ 4,717,005          | \$ 4,749,907          | \$ 4,803,237          | \$ 4,485,013          | \$ 3,944,551          |
| Unrestricted                     | 57,278,282           | 76,046,499           | 78,086,291            | 85,160,694            | 85,176,003            | 79,354,613            | 97,717,244            | 115,622,967           | 117,674,649           | 79,817,169            |
| Restricted by regulation         | <u>17,513,128</u>    | <u>18,060,842</u>    | <u>18,606,106</u>     | <u>17,258,446</u>     | <u>17,799,886</u>     | <u>18,347,069</u>     | <u>18,906,909</u>     | <u>19,491,966</u>     | <u>20,085,036</u>     | <u>20,713,096</u>     |
| Change in net position           | <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> | <u>\$ 142,244,698</u> | <u>\$ 104,474,816</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>2013</u>   | <u>2014</u>   | <u>2015</u>    | <u>2016</u>    | <u>2017</u>    | <u>2018</u>    | <u>2019</u>    | <u>2020</u>    | <u>2021</u>    | <u>2022</u>    |
|--------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Written premiums               | \$ 53,721,867 | \$ 54,771,439 | \$ 54,526,441  | \$ 53,295,482  | \$ 54,143,947  | \$ 54,718,384  | \$ 55,984,027  | \$ 58,509,432  | \$ 59,511,531  | \$ 62,803,699  |
| Ceded reinsurance              | 9,265,892     | 10,635,462    | 10,562,088     | 10,356,696     | 10,011,251     | 9,533,805      | 9,747,562      | 10,195,156     | 10,030,251     | 12,354,289     |
| Net premiums                   | 44,455,975    | 44,135,977    | 43,964,353     | 42,938,786     | 44,132,696     | 45,184,579     | 46,236,465     | 48,314,276     | 49,481,280     | 50,449,410     |
| Miscellaneous Income, net      | 146,672       | 134,269       | 221,108        | 163,386        | 138,536        | 91,697         | 205,239        | 249,547        | 237,464        | 301,631        |
| Program administrative costs   | 8,765,900     | 9,628,206     | 10,321,741     | 10,261,619     | 10,752,889     | 11,071,931     | 11,270,664     | 11,439,710     | 11,550,679     | 12,463,345     |
| Provision for loss & LAE       | 33,674,875    | 25,218,086    | 35,470,707     | 38,380,622     | 33,993,637     | 40,243,675     | 37,999,486     | 38,920,451     | 43,384,289     | 47,797,516     |
| Operating revenue/(loss)       | 2,161,872     | 9,423,954     | (1,606,987)    | (5,540,069)    | (475,294)      | (6,039,330)    | (2,828,446)    | (1,796,338)    | (5,216,224)    | (9,509,820)    |
| Investment income              | 7,917,366     | 7,195,198     | 7,175,278      | 7,838,810      | 7,980,980      | 8,305,543      | 8,945,197      | 9,256,650      | 8,211,740      | 7,645,006      |
| Unrealized gain/(loss)         | (5,482,895)   | 3,194,848     | (2,568,178)    | 4,104,563      | (5,680,816)    | (7,017,753)    | 13,538,703     | 11,793,556     | 150,313        | (35,212,148)   |
| Non-operating income           | 2,434,471     | 10,390,046    | 4,607,100      | 11,943,373     | 2,300,163      | 1,287,791      | 22,483,900     | 21,050,206     | 8,362,053      | (27,567,142)   |
| Other expenses                 | 708,663       | 702,221       | 706,365        | 823,838        | 755,835        | 696,232        | 700,081        | 709,758        | 819,303        | 692,922        |
| Non-operating revenue/(loss)   | 1,725,808     | 9,687,825     | 3,900,735      | 11,119,535     | 1,544,328      | 591,558        | 21,783,819     | 20,340,448     | 7,542,750      | (28,260,064)   |
| Change in net position         | 3,887,680     | 19,111,779    | 2,293,748      | 5,579,466      | 1,069,034      | (5,447,772)    | 18,955,373     | 18,544,110     | 2,326,526      | (37,769,884)   |
| Beginning net position balance | 75,924,753    | 79,812,433    | 98,924,212     | 101,217,960    | 106,797,426    | 107,866,460    | 102,418,688    | 121,374,061    | 139,918,171    | 142,244,697    |
| Ending net position balance    | \$ 79,812,433 | \$ 98,924,212 | \$ 101,217,960 | \$ 106,797,426 | \$ 107,866,460 | \$ 102,418,688 | \$ 121,374,061 | \$ 139,918,171 | \$ 142,244,697 | \$ 104,474,813 |

**Workers Compensation**

| Fiscal Year ending June 30,  | <u>2013</u>    | <u>2014</u>   | <u>2015</u>    | <u>2016</u>    | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>    |
|------------------------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Written premiums             | \$ 20,299,909  | \$ 20,919,822 | \$ 20,351,394  | \$ 20,083,515  | \$ 20,054,717 | \$ 20,845,868 | \$ 21,035,289 | \$ 22,331,107 | \$ 21,534,044 | \$ 22,133,406  |
| Ceded reinsurance            | 1,012,205      | 1,518,664     | 1,610,256      | 1,327,043      | 1,021,186     | 846,297       | 1,067,384     | 1,022,538     | 1,018,829     | 1,080,665      |
| Net premiums                 | 19,287,704     | 19,401,158    | 18,741,138     | 18,756,472     | 19,033,531    | 19,999,571    | 19,967,905    | 21,308,569    | 20,515,215    | 21,052,741     |
| Miscellaneous Income, net    | 141,186        | 127,906       | 207,168        | 155,436        | 72,500        | 41,924        | 110,569       | 142,821       | 116,993       | 125,872        |
| Program administrative costs | 3,882,244      | 4,576,250     | 4,828,797      | 4,801,354      | 4,963,117     | 4,842,347     | 5,080,541     | 5,384,356     | 5,486,611     | 5,709,185      |
| Provision for loss & LAE     | 20,149,216     | 16,863,036    | 20,721,770     | 23,195,073     | 10,371,614    | 11,811,592    | 21,667,221    | 11,996,940    | 15,742,199    | 12,108,023     |
| Operating revenue/(loss)     | (4,602,570)    | (1,910,223)   | (6,602,260)    | (9,084,519)    | 3,771,300     | 3,387,556     | (6,669,288)   | 4,070,094     | (596,602)     | 3,361,405      |
| Investment income            | 3,435,034      | 3,162,843     | 3,058,680      | 3,424,140      | 3,442,034     | 3,676,195     | 3,863,117     | 4,082,561     | 3,404,633     | 3,190,292      |
| Unrealized gain/(loss)       | (2,378,813)    | 1,404,381     | (1,094,764)    | 1,792,950      | (2,450,020)   | (3,106,193)   | 5,846,890     | 5,201,441     | 62,321        | (14,694,171)   |
| Non-operating income         | 1,056,221      | 4,567,225     | 1,963,916      | 5,217,091      | 992,014       | 570,001       | 9,710,007     | 9,284,002     | 3,466,954     | (11,503,879)   |
| Other expenses               | 297,707        | 295,083       | 301,109        | 359,868        | 325,976       | 308,166       | 302,341       | 313,032       | 339,688       | 289,160        |
| Non-operating revenue/(loss) | 758,514        | 4,272,141     | 1,662,807      | 4,857,223      | 666,037       | 261,835       | 9,407,666     | 8,970,970     | 3,127,266     | (11,793,039)   |
| Change in net position       | \$ (3,844,056) | \$ 2,361,919  | \$ (4,939,453) | \$ (4,227,297) | \$ 4,437,337  | \$ 3,649,391  | \$ 2,738,378  | \$ 13,041,064 | \$ 2,530,664  | \$ (8,431,634) |

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

**LODA**

| Fiscal Year ending June 30,  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>    | <u>2018</u>    | <u>2019</u>  | <u>2020</u>  | <u>2021</u>    | <u>2022</u>    |
|------------------------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|----------------|
| Written premiums             | \$ 1,027,395 | \$ 1,485,866 | \$ 1,805,629 | \$ 2,003,715 | \$ 2,417,481   | \$ 2,349,383   | \$ 2,737,991 | \$ 3,562,172 | \$ 3,661,828   | \$ 4,027,886   |
| Ceded reinsurance            | -            | -            | -            | -            | -              | -              | -            | -            | -              | -              |
| Net premiums                 | 1,027,395    | 1,485,866    | 1,805,629    | 2,003,715    | 2,417,481      | 2,349,383      | 2,737,991    | 3,562,172    | 3,661,828      | 4,027,886      |
| Miscellaneous Income, net    | -            | 382          | 998          | 1,083        | 9,529          | 1,904          | 9,868        | 14,078       | 15,230         | 24,082         |
| Program administrative costs | 176,986      | 271,697      | 344,564      | 397,405      | 951,094        | 921,546        | 397,587      | 792,492      | 860,675        | 1,030,787      |
| 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    | 4,694,954      | 7,323,038      |
| Operating revenue/(loss)     | (213,973)    | 509,562      | 238,614      | 679,938      | (5,680,224)    | (8,647,240)    | 5,850,215    | 35,849       | (1,878,571)    | (4,301,857)    |
| Investment income            | 182,973      | 242,231      | 294,691      | 365,794      | 437,179        | 431,849        | 529,709      | 682,485      | 607,704        | 610,378        |
| Unrealized gain/(loss)       | (126,712)    | 107,557      | (105,476)    | 191,537      | (311,181)      | (364,890)      | 801,723      | 869,529      | 11,124         | (2,811,341)    |
| Non-operating income         | 56,261       | 349,788      | 189,215      | 557,331      | 125,997        | 66,959         | 1,331,432    | 1,552,014    | 618,828        | (2,200,963)    |
| Other expenses               | 16,776       | 24,458       | 29,011       | 38,444       | 41,403         | 36,201         | 41,457       | 52,330       | 60,632         | 55,323         |
| Non-operating revenue/(loss) | 39,485       | 325,330      | 160,204      | 518,887      | 84,595         | 30,758         | 1,289,975    | 1,499,684    | 558,196        | (2,256,286)    |
| Change in net position       | \$ (174,488) | \$ 834,892   | \$ 398,819   | \$ 1,198,825 | \$ (5,595,630) | \$ (8,616,482) | \$ 7,140,191 | \$ 1,535,533 | \$ (1,320,375) | \$ (6,558,143) |

**Property & Liability, Overall**

| Fiscal Year ending June 30,  | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>     |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Written premiums             | \$ 32,394,563 | \$ 32,365,751 | \$ 32,369,418 | \$ 31,208,252 | \$ 31,671,749 | \$ 31,523,133 | \$ 32,210,747 | \$ 32,616,153 | \$ 34,315,659 | \$ 36,642,407   |
| Ceded reinsurance            | 8,253,687     | 9,116,798     | 8,951,832     | 9,029,653     | 8,990,065     | 8,687,508     | 8,680,178     | 9,172,618     | 9,011,422     | 11,273,624      |
| Net premiums                 | 24,140,876    | 23,248,953    | 23,417,586    | 22,178,599    | 22,681,684    | 22,835,625    | 23,530,569    | 23,443,535    | 25,304,237    | 25,368,783      |
| Miscellaneous Income, net    | 5,486         | 5,981         | 12,942        | 6,867         | 56,506        | 47,869        | 84,802        | 92,648        | 105,241       | 151,677         |
| Program administrative costs | 4,706,670     | 4,780,259     | 5,148,381     | 5,062,860     | 4,838,679     | 5,308,039     | 5,792,536     | 5,262,862     | 5,203,393     | 5,723,373       |
| Provision for loss & LAE     | 12,461,277    | 7,650,061     | 13,525,488    | 14,258,095    | 16,465,882    | 18,355,102    | 19,832,209    | 24,175,602    | 22,947,136    | 28,366,455      |
| Operating revenue/(loss)     | 6,978,415     | 10,824,614    | 4,756,658     | 2,864,512     | 1,433,630     | (779,646)     | (2,009,374)   | (5,902,281)   | (2,741,051)   | (8,569,368)     |
| Investment income            | 4,299,359     | 3,790,124     | 3,821,908     | 4,048,876     | 4,101,768     | 4,197,500     | 4,552,372     | 4,491,604     | 4,199,403     | 3,844,336       |
| Unrealized gain/(loss)       | (2,977,370)   | 1,682,910     | (1,367,939)   | 2,120,075     | (2,919,615)   | (3,546,670)   | 6,890,090     | 5,722,586     | 76,868        | (17,706,636)    |
| Non-operating income         | 1,321,989     | 5,473,034     | 2,453,969     | 6,168,951     | 1,182,153     | 650,831       | 11,442,461    | 10,214,190    | 4,276,271     | (13,862,300)    |
| Other expenses               | 394,180       | 382,680       | 376,245       | 425,526       | 388,456       | 351,866       | 356,284       | 344,396       | 418,983       | 348,439         |
| Non-operating revenue/(loss) | 927,809       | 5,090,354     | 2,077,724     | 5,743,425     | 793,696       | 298,965       | 11,086,177    | 9,869,794     | 3,857,288     | (14,210,739)    |
| Change in net position       | \$ 7,906,224  | \$ 15,914,968 | \$ 6,834,382  | \$ 8,607,937  | \$ 2,227,326  | \$ (480,681)  | \$ 9,076,804  | \$ 3,967,513  | \$ 1,116,237  | \$ (22,780,107) |

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

**General Liability**

| Fiscal Year ending June 30,  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>    | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>    | <u>2022</u>    |
|------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Written premiums             | \$ 3,658,309 | \$ 3,609,788 | \$ 3,519,738 | \$ 3,077,724 | \$ 2,994,970   | \$ 2,970,925 | \$ 2,908,569 | \$ 2,738,630 | \$ 3,197,859   | \$ 3,480,056   |
| Ceded reinsurance            | -            | -            | -            | -            | -              | -            | -            | -            | 81,070         | 83,613         |
| Net premiums                 | 3,658,309    | 3,609,788    | 3,519,738    | 3,077,724    | 2,994,970      | 2,970,925    | 2,908,569    | 2,738,630    | 3,116,789      | 3,396,443      |
| Miscellaneous Income, net    | -            | 929          | 1,945        | 953          | 7,461          | 6,228        | 10,482       | 10,823       | 12,963         | 20,307         |
| Program administrative costs | 895,958      | 887,620      | 931,240      | 899,561      | 882,226        | 891,370      | 828,012      | 708,503      | 751,112        | 770,766        |
| Provision for loss & LAE     | 430,925      | 148,253      | 2,224,737    | 2,002,958    | 3,521,446      | 2,656,110    | 1,512,726    | 2,320,825    | 4,164,163      | 1,769,430      |
| Operating revenue/(loss)     | 2,331,426    | 2,574,843    | 365,706      | 176,158      | (1,401,240)    | (570,327)    | 578,313      | (279,875)    | (1,785,523)    | 876,554        |
| Investment income            | 651,525      | 588,480      | 574,445      | 561,862      | 541,612        | 546,097      | 562,710      | 524,701      | 517,252        | 514,690        |
| Unrealized gain/(loss)       | (451,191)    | 261,300      | (205,606)    | 294,203      | (385,516)      | (461,423)    | 851,671      | 668,502      | 9,468          | (2,370,614)    |
| Non-operating income         | 200,334      | 849,780      | 368,839      | 856,065      | 156,096        | 84,673       | 1,414,381    | 1,193,203    | 526,720        | (1,855,924)    |
| Other expenses               | 59,734       | 59,417       | 56,551       | 59,050       | 51,293         | 45,778       | 44,040       | 40,232       | 51,607         | 46,650         |
| Non-operating revenue/(loss) | 140,600      | 790,362      | 312,289      | 797,015      | 104,802        | 38,895       | 1,370,341    | 1,152,971    | 475,113        | (1,902,574)    |
| Change in net position       | \$ 2,472,026 | \$ 3,365,206 | \$ 677,994   | \$ 973,173   | \$ (1,296,438) | \$ (531,432) | \$ 1,948,655 | \$ 873,096   | \$ (1,310,410) | \$ (1,026,020) |

**Public Officials Liability**

| Fiscal Year ending June 30,  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>    | <u>2019</u>    | <u>2020</u>    | <u>2021</u>    | <u>2022</u>    |
|------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Written premiums             | \$ 2,620,091 | \$ 2,544,236 | \$ 2,453,796 | \$ 2,144,570 | \$ 2,041,290 | \$ 2,028,047   | \$ 2,032,304   | \$ 2,171,271   | \$ 2,346,729   | \$ 2,321,309   |
| Ceded reinsurance            | -            | -            | -            | -            | -            | -              | -              | -              | -              | -              |
| Net premiums                 | 2,620,091    | 2,544,236    | 2,453,796    | 2,144,570    | 2,041,290    | 2,028,047      | 2,032,304      | 2,171,271      | 2,346,729      | 2,321,309      |
| Miscellaneous Income, net    | 5,486        | 655          | 1,356        | 664          | 5,085        | 4,251          | 7,324          | 8,581          | 9,760          | 13,879         |
| Program administrative costs | 427,294      | 428,830      | 457,397      | 421,824      | 359,276      | 395,480        | 418,939        | 421,072        | 415,923        | 474,851        |
| Provision for loss & LAE     | 2,551,387    | 1,069,988    | 1,378,254    | 2,961,460    | (555,876)    | 3,333,169      | 4,026,687      | 6,313,794      | 3,715,464      | 4,755,517      |
| Operating revenue/(loss)     | (353,104)    | 1,046,072    | 619,501      | (1,238,050)  | 2,242,974    | (1,696,351)    | (2,405,998)    | (4,555,014)    | (1,774,898)    | (2,895,180)    |
| Investment income            | 466,624      | 414,770      | 400,476      | 391,508      | 369,148      | 372,783        | 393,182        | 415,999        | 389,455        | 351,767        |
| Unrealized gain/(loss)       | (323,144)    | 184,168      | (143,339)    | 205,002      | (262,757)    | (314,982)      | 595,088        | 530,009        | 7,129          | (1,620,203)    |
| Non-operating income         | 143,480      | 598,938      | 257,137      | 596,510      | 106,391      | 57,801         | 988,270        | 946,008        | 396,584        | (1,268,436)    |
| Other expenses               | 42,782       | 41,878       | 39,425       | 41,146       | 34,960       | 31,249         | 30,772         | 31,897         | 38,857         | 31,883         |
| Non-operating revenue/(loss) | 100,698      | 557,060      | 217,713      | 555,363      | 71,431       | 26,551         | 957,498        | 914,111        | 357,727        | (1,300,319)    |
| Change in net position       | \$ (252,406) | \$ 1,603,132 | \$ 837,214   | \$ (682,687) | \$ 2,314,405 | \$ (1,669,799) | \$ (1,448,500) | \$ (3,640,903) | \$ (1,417,171) | \$ (4,195,499) |

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

**Law Enforcement Liability**

| Fiscal Year ending June 30,  | 2013         | 2014         | 2015         | 2016         | 2017           | 2018         | 2019         | 2020         | 2021           | 2022           |
|------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|
| Written premiums             | \$ 1,366,735 | \$ 1,334,897 | \$ 1,322,877 | \$ 1,152,922 | \$ 1,091,175   | \$ 1,044,900 | \$ 1,072,880 | \$ 1,103,057 | \$ 1,159,702   | \$ 1,255,836   |
| Ceded reinsurance            | -            | -            | -            | -            | -              | -            | -            | -            | -              | -              |
| Net premiums                 | 1,366,735    | 1,334,897    | 1,322,877    | 1,152,922    | 1,091,175      | 1,044,900    | 1,072,880    | 1,103,057    | 1,159,702      | 1,255,836      |
| Miscellaneous Income, net    | -            | 343          | 731          | 357          | 2,718          | 2,190        | 3,867        | 4,359        | 4,823          | 7,508          |
| Program administrative costs | 222,892      | 224,996      | 223,831      | 203,550      | 185,026        | 202,017      | 218,431      | 205,635      | 205,611        | 248,828        |
| Provision for loss & LAE     | (640,352)    | (1,368,929)  | 611,223      | (604,092)    | 3,769,145      | 805,427      | 230,013      | 1,930,682    | 3,244,020      | 2,205,114      |
| Operating revenue/(loss)     | 1,784,195    | 2,479,173    | 488,554      | 1,553,822    | (2,860,278)    | 39,647       | 628,303      | (1,028,901)  | (2,285,106)    | (1,190,598)    |
| Investment income            | 243,408      | 217,619      | 215,902      | 210,475      | 197,329        | 192,067      | 207,566      | 211,337      | 192,460        | 190,307        |
| Unrealized gain/(loss)       | (168,564)    | 96,628       | (77,276)     | 110,209      | (140,457)      | (162,287)    | 314,155      | 269,257      | 3,523          | (876,535)      |
| Non-operating income         | 74,844       | 314,248      | 138,627      | 320,684      | 56,871         | 29,780       | 521,721      | 480,594      | 195,983        | (686,228)      |
| Other expenses               | 22,316       | 21,973       | 21,254       | 22,120       | 18,688         | 16,100       | 16,245       | 16,204       | 19,202         | 17,249         |
| Non-operating revenue/(loss) | 52,528       | 292,275      | 117,372      | 298,564      | 38,183         | 13,680       | 505,476      | 464,390      | 176,781        | (703,477)      |
| Change in net position       | \$ 1,836,723 | \$ 2,771,448 | \$ 605,926   | \$ 1,852,385 | \$ (2,822,095) | \$ 53,327    | \$ 1,133,779 | \$ (564,511) | \$ (2,108,325) | \$ (1,894,075) |

**Automobile**

| Fiscal Year ending June 30,  | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022           |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Written premiums             | \$ 9,341,596 | \$ 9,162,033 | \$ 8,953,955 | \$ 8,181,996 | \$ 8,092,621 | \$ 8,326,381 | \$ 8,867,732 | \$ 7,834,492 | \$ 9,088,534 | \$ 9,291,759   |
| Ceded reinsurance            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -              |
| Net premiums                 | 9,341,596    | 9,162,033    | 8,953,955    | 8,181,996    | 8,092,621    | 8,326,381    | 8,867,732    | 7,834,492    | 9,088,534    | 9,291,759      |
| Miscellaneous Income, net    | -            | 2,357        | 4,948        | 2,533        | 20,161       | 17,454       | 31,959       | 30,962       | 37,800       | 55,554         |
| Program administrative costs | 1,674,903    | 1,739,986    | 1,824,453    | 1,729,176    | 1,551,114    | 1,792,581    | 2,040,724    | 1,677,059    | 1,780,185    | 1,979,112      |
| Provision for loss & LAE     | 6,017,276    | 4,543,371    | 5,267,814    | 6,175,320    | 4,868,939    | 6,524,559    | 8,267,343    | 8,017,175    | 7,003,073    | 10,502,165     |
| Operating revenue/(loss)     | 1,649,417    | 2,881,033    | 1,866,636    | 280,033      | 1,692,729    | 26,696       | (1,408,376)  | (1,828,780)  | 343,076      | (3,133,964)    |
| Investment income            | 1,663,687    | 1,493,626    | 1,461,346    | 1,493,687    | 1,463,474    | 1,530,503    | 1,715,607    | 1,501,029    | 1,508,301    | 1,408,055      |
| Unrealized gain/(loss)       | (1,152,128)  | 663,207      | (523,045)    | 782,125      | (1,041,692)  | (1,293,195)  | 2,596,600    | 1,912,406    | 27,609       | (6,485,364)    |
| Non-operating income         | 511,559      | 2,156,833    | 938,300      | 2,275,813    | 421,781      | 237,307      | 4,312,207    | 3,413,435    | 1,535,910    | (5,077,309)    |
| Other expenses               | 152,533      | 150,808      | 143,861      | 156,982      | 138,598      | 128,298      | 134,269      | 115,092      | 150,487      | 127,622        |
| Non-operating revenue/(loss) | 359,026      | 2,006,025    | 794,439      | 2,118,830    | 283,184      | 109,009      | 4,177,938    | 3,298,343    | 1,385,423    | (5,204,931)    |
| Change in net position       | \$ 2,008,443 | \$ 4,887,058 | \$ 2,661,075 | \$ 2,398,863 | \$ 1,975,912 | \$ 135,705   | \$ 2,769,562 | \$ 1,469,563 | \$ 1,728,499 | \$ (8,338,895) |

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

**Property**

| Fiscal Year ending June 30,  | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>    |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Written premiums             | \$ 10,513,974 | \$ 10,875,910 | \$ 11,288,076 | \$ 12,190,146 | \$ 13,110,014 | \$ 12,682,673 | \$ 13,123,542 | \$ 14,597,598 | \$ 14,056,549 | \$ 15,281,045  |
| Ceded reinsurance            | 4,375,017     | 5,282,784     | 5,175,746     | 5,658,780     | 6,025,635     | 5,817,904     | 6,302,542     | 6,885,035     | 6,962,214     | 9,173,071      |
| Net premiums                 | 6,138,957     | 5,593,126     | 6,112,330     | 6,531,366     | 7,084,379     | 6,864,769     | 6,821,000     | 7,712,563     | 7,094,335     | 6,107,974      |
| Miscellaneous Income, net    | -             | 1,439         | 3,378         | 2,022         | 17,649        | 14,390        | 24,582        | 30,480        | 29,506        | 36,519         |
| Program administrative costs | 1,270,994     | 1,309,506     | 1,511,441     | 1,590,781     | 1,604,842     | 1,700,291     | 1,823,129     | 1,840,365     | 1,559,395     | 1,656,636      |
| Provision for loss & LAE     | 3,969,644     | 3,043,826     | 3,711,916     | 3,489,904     | 4,570,346     | 4,366,024     | 5,096,418     | 5,033,564     | 5,066,413     | 8,003,662      |
| Operating revenue/(loss)     | 898,319       | 1,241,233     | 892,350       | 1,452,704     | 926,841       | 812,844       | (73,965)      | 869,114       | 498,033       | (3,515,805)    |
| Investment income            | 1,093,316     | 911,811       | 997,573       | 1,192,352     | 1,281,143     | 1,261,838     | 1,319,633     | 1,477,669     | 1,177,351     | 925,591        |
| Unrealized gain/(loss)       | (757,136)     | 404,867       | (357,052)     | 624,340       | (911,910)     | (1,066,188)   | 1,997,287     | 1,882,643     | 21,551        | (4,263,180)    |
| Non-operating income         | 336,180       | 1,316,677     | 640,522       | 1,816,692     | 369,233       | 195,650       | 3,316,920     | 3,360,312     | 1,198,902     | (3,337,589)    |
| Other expenses               | 100,238       | 92,063        | 98,205        | 125,313       | 121,330       | 105,777       | 103,279       | 113,301       | 117,467       | 83,893         |
| Non-operating revenue/(loss) | 235,942       | 1,224,614     | 542,316       | 1,691,379     | 247,903       | 89,874        | 3,213,641     | 3,247,011     | 1,081,435     | (3,421,482)    |
| Change in net position       | \$ 1,134,261  | \$ 2,465,847  | \$ 1,434,667  | \$ 3,144,083  | \$ 1,174,743  | \$ 902,718    | \$ 3,139,677  | \$ 4,116,125  | \$ 1,579,468  | \$ (6,937,287) |

**Boiler & Machinery**

| Fiscal Year ending June 30,  | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u>  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Written premiums             | \$ 730,566  | \$ 771,354  | \$ 811,366  | \$ 867,745  | \$ 913,712  | \$ 884,471  | \$ 911,528  | \$ 998,235  | \$ 966,857  | \$ 1,040,050 |
| Ceded reinsurance            | 185,574     | 257,559     | 260,629     | 356,676     | 385,867     | 350,559     | 381,030     | 424,681     | -           | -            |
| Net premiums                 | 544,992     | 513,795     | 550,737     | 511,069     | 527,845     | 533,912     | 530,498     | 573,554     | 966,857     | 1,040,050    |
| Miscellaneous Income, net    | -           | 132         | 304         | 158         | 1,315       | 1,119       | 1,912       | 2,267       | 4,021       | 6,218        |
| Program administrative costs | 115,581     | 100,720     | 111,118     | 109,127     | 107,794     | 120,348     | 129,043     | 124,458     | 185,520     | 200,699      |
| Provision for loss & LAE     | 91,605      | 277,515     | 253,245     | 239,653     | 90,880      | 406,806     | 357,748     | 277,220     | 203,586     | 237,975      |
| Operating revenue/(loss)     | 337,806     | 135,692     | 186,678     | 162,447     | 330,487     | 7,877       | 45,618      | 174,143     | 581,772     | 607,594      |
| Investment income            | 97,060      | 83,761      | 89,884      | 93,300      | 95,456      | 98,140      | 102,633     | 109,889     | 160,456     | 157,607      |
| Unrealized gain/(loss)       | (67,216)    | 37,192      | (32,171)    | 48,854      | (67,945)    | (82,923)    | 155,337     | 140,005     | 2,937       | (725,923)    |
| Non-operating income         | 29,844      | 120,952     | 57,713      | 142,153     | 27,511      | 15,217      | 257,971     | 249,894     | 163,393     | (568,316)    |
| Other expenses               | 8,899       | 8,457       | 8,849       | 9,806       | 9,040       | 8,227       | 8,032       | 8,426       | 16,009      | 14,285       |
| Non-operating revenue/(loss) | 20,945      | 112,495     | 48,864      | 132,348     | 18,471      | 6,990       | 249,938     | 241,468     | 147,384     | (582,601)    |
| Change in net position       | \$ 358,751  | \$ 248,188  | \$ 235,542  | \$ 294,795  | \$ 348,957  | \$ 14,867   | \$ 295,557  | \$ 415,611  | \$ 729,156  | \$ 24,993    |

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

**Fidelity & Crime**

| Fiscal Year ending June 30,  | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Written premiums             | \$ 301,739  | \$ 298,819  | \$ 299,304  | \$ 300,405  | \$ 297,756  | \$ 276,779  | \$ 279,315  | \$ 295,818  | \$ 290,763  | \$ 287,953  |
| Ceded reinsurance            | 41,608      | 44,828      | -           | -           | -           | -           | -           | -           | -           | -           |
| Net premiums                 | 260,131     | 253,991     | 299,304     | 300,405     | 297,756     | 276,779     | 279,315     | 295,818     | 290,763     | 287,953     |
| Miscellaneous Income, net    | -           | 65          | 165         | 93          | 742         | 580         | 1,007       | 1,169       | 1,209       | 1,722       |
| Program administrative costs | 64,769      | 48,640      | 56,332      | 60,274      | 56,302      | 57,273      | 62,944      | 59,819      | 55,821      | 57,260      |
| Provision for loss & LAE     | (118,984)   | 7,512       | 78,298      | (7,109)     | 201,002     | 112,023     | (10,095)    | 5,322       | (99,583)    | (8,660)     |
| Operating revenue/(loss)     | 314,346     | 197,905     | 164,839     | 247,333     | 41,194      | 108,064     | 227,472     | 231,846     | 335,734     | 241,075     |
| Investment income            | 46,328      | 41,406      | 48,848      | 54,841      | 53,846      | 50,876      | 54,038      | 56,676      | 48,254      | 43,636      |
| Unrealized gain/(loss)       | (32,083)    | 18,386      | (17,484)    | 28,716      | (38,328)    | (42,987)    | 81,787      | 72,209      | 883         | (200,982)   |
| Non-operating income         | 14,245      | 59,792      | 31,365      | 83,557      | 15,519      | 7,888       | 135,825     | 128,885     | 49,137      | (157,346)   |
| Other expenses               | 4,248       | 4,181       | 4,809       | 5,764       | 5,099       | 4,265       | 4,229       | 4,346       | 4,814       | 3,955       |
| Non-operating revenue/(loss) | 9,997       | 55,611      | 26,556      | 77,794      | 10,419      | 3,624       | 131,596     | 124,539     | 44,323      | (161,301)   |
| Change in net position       | \$ 324,343  | \$ 253,516  | \$ 191,395  | \$ 325,127  | \$ 51,613   | \$ 111,687  | \$ 359,068  | \$ 356,385  | \$ 380,057  | \$ 79,774   |

**Excess Liability**

| Fiscal Year ending June 30,  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  | <u>2022</u>  |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Written premiums             | \$ 3,861,553 | \$ 3,768,714 | \$ 3,720,306 | \$ 3,292,744 | \$ 3,130,211 | \$ 2,990,185 | \$ 2,645,317 | \$ 2,440,877 | \$ 2,552,869 | \$ 3,015,604 |
| Ceded reinsurance            | 3,651,488    | 3,531,627    | 3,515,457    | 3,014,197    | 2,578,563    | 2,450,333    | 1,911,469    | 1,777,036    | 1,847,624    | 1,998,907    |
| Net premiums                 | 210,065      | 237,087      | 204,849      | 278,547      | 551,648      | 539,852      | 733,848      | 663,841      | 705,245      | 1,016,697    |
| Miscellaneous Income, net    | -            | 61           | 113          | 86           | 1,374        | 1,132        | 2,645        | 2,623        | 2,933        | 6,079        |
| Program administrative costs | 34,279       | 39,961       | 32,568       | 48,569       | 92,098       | 98,440       | 147,262      | 119,935      | 121,845      | 174,204      |
| Provision for loss & LAE     | 159,776      | (71,476)     | -            | -            | -            | -            | 150,791      | -            | -            | -            |
| Operating revenue/(loss)     | 16,010       | 268,663      | 172,394      | 230,065      | 460,924      | 442,544      | 438,440      | 546,529      | 586,333      | 848,572      |
| Investment income            | 37,411       | 38,651       | 33,433       | 50,851       | 99,760       | 99,232       | 141,975      | 127,187      | 117,040      | 154,068      |
| Unrealized gain/(loss)       | (25,908)     | 17,162       | (11,966)     | 26,627       | (71,009)     | (83,846)     | 214,881      | 162,044      | 2,142        | (709,623)    |
| Non-operating income         | 11,503       | 55,813       | 21,466       | 77,478       | 28,751       | 15,386       | 356,856      | 289,231      | 119,182      | (555,555)    |
| Other expenses               | 3,430        | 3,902        | 3,291        | 5,344        | 9,448        | 8,318        | 11,111       | 9,752        | 11,677       | 13,964       |
| Non-operating revenue/(loss) | 8,073        | 51,910       | 18,175       | 72,133       | 19,304       | 7,068        | 345,745      | 279,479      | 107,505      | (569,519)    |
| Change in net position       | \$ 24,083    | \$ 320,573   | \$ 190,570   | \$ 302,198   | \$ 480,228   | \$ 449,612   | \$ 784,184   | \$ 826,008   | \$ 693,838   | \$ 279,053   |

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

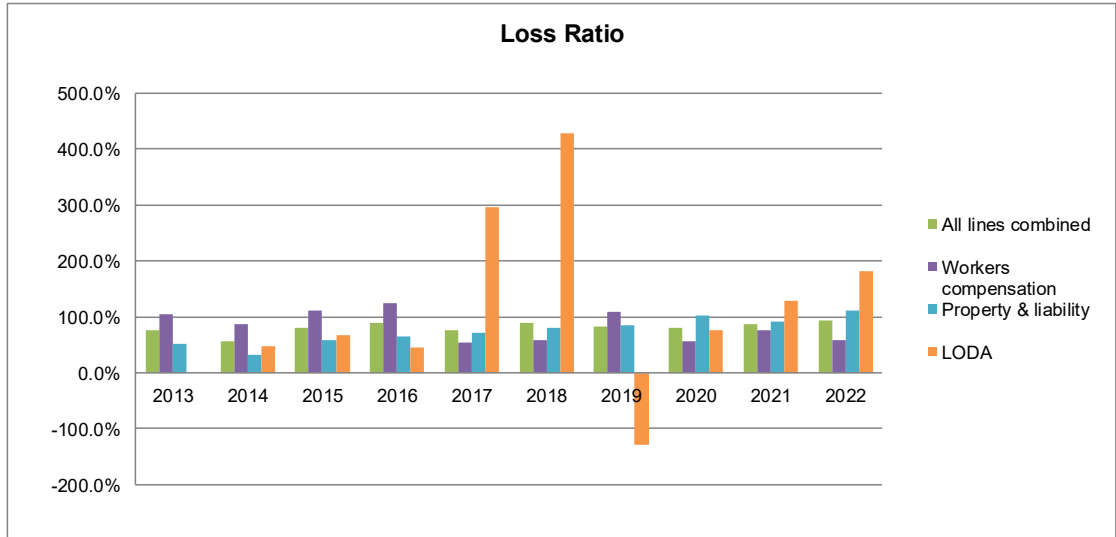
**Cyber**

| Fiscal Year ending June 30,  | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u>  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Written premiums             | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 318,772  | \$ 369,560  | \$ 436,175  | \$ 655,797  | \$ 668,795   |
| Ceded reinsurance            | -           | -           | -           | -           | -           | 68,712      | 85,136      | 85,866      | 120,514     | 18,033       |
| Net premiums                 | -           | -           | -           | -           | -           | 250,060     | 284,424     | 350,309     | 535,283     | 650,762      |
| Miscellaneous Income, net    | -           | -           | -           | -           | -           | 524         | 1,025       | 1,384       | 2,226       | 3,891        |
| Program administrative costs | -           | -           | -           | -           | -           | 50,240      | 124,052     | 106,016     | 127,981     | 161,017      |
| Provision for loss & LAE     | -           | -           | -           | -           | -           | 150,985     | 200,577     | 277,020     | (350,000)   | 901,252      |
| Operating revenue/(loss)     | -           | -           | -           | -           | -           | 49,360      | (39,181)    | (31,343)    | 759,528     | (407,616)    |
| Investment income            | -           | -           | -           | -           | -           | 45,964      | 55,026      | 67,117      | 88,834      | 98,615       |
| Unrealized gain/(loss)       | -           | -           | -           | -           | -           | (38,838)    | 83,283      | 85,511      | 1,626       | (454,212)    |
| Non-operating income         | -           | -           | -           | -           | -           | 7,127       | 138,310     | 152,628     | 90,460      | (355,597)    |
| Other expenses               | -           | -           | -           | -           | -           | 3,853       | 4,307       | 5,146       | 8,863       | 8,938        |
| Non-operating revenue/(loss) | -           | -           | -           | -           | -           | 3,274       | 134,003     | 147,482     | 81,597      | (364,535)    |
| Change in net position       | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 52,634   | \$ 94,823   | \$ 116,139  | \$ 841,125  | \$ (772,151) |

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

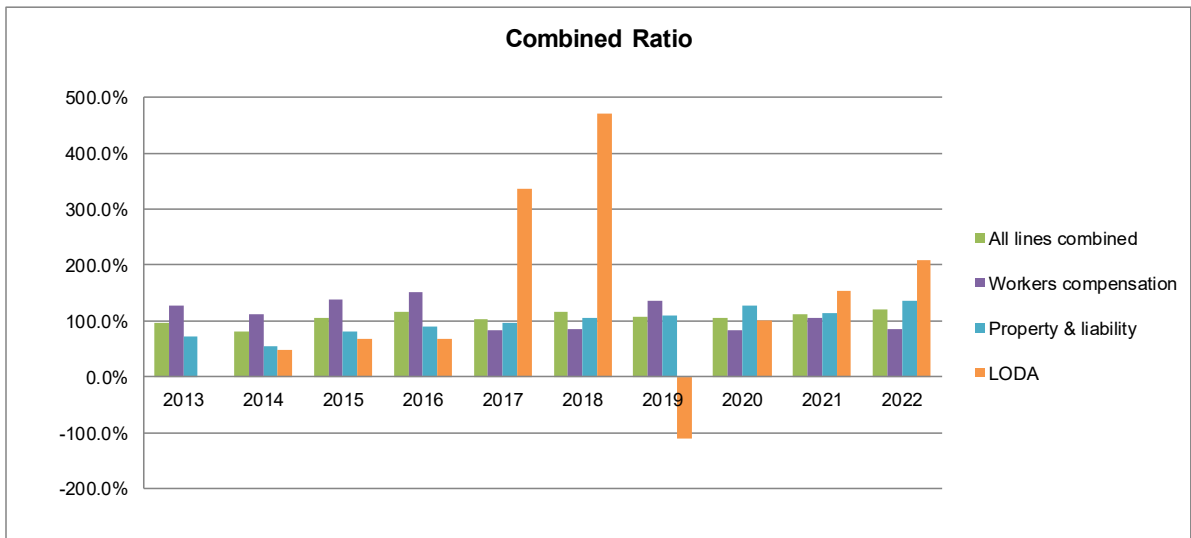
**Loss Ratio**

| Fiscal Year ending June 30, | 2013    | 2014   | 2015    | 2016    | 2017    | 2018    | 2019     | 2020    | 2021    | 2022    |
|-----------------------------|---------|--------|---------|---------|---------|---------|----------|---------|---------|---------|
| All lines combined          | 75.75%  | 57.14% | 80.68%  | 89.38%  | 77.03%  | 89.07%  | 82.19%   | 80.56%  | 87.68%  | 94.74%  |
| Workers compensation        | 104.47% | 86.92% | 110.57% | 123.66% | 54.49%  | 59.06%  | 108.51%  | 56.30%  | 76.73%  | 57.51%  |
| Property & liability        | 51.62%  | 32.90% | 57.76%  | 64.29%  | 72.60%  | 80.38%  | 84.28%   | 103.12% | 90.68%  | 111.82% |
| LODA                        |         | 47.45% | 67.76%  | 46.29%  | 296.02% | 428.92% | -127.83% | 77.14%  | 128.21% | 181.81% |



**Combined Ratio**

| Fiscal Year ending June 30, | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019     | 2020    | 2021    | 2022    |
|-----------------------------|---------|---------|---------|---------|---------|---------|----------|---------|---------|---------|
| All lines combined          | 97.06%  | 80.54%  | 105.76% | 115.20% | 103.10% | 115.11% | 108.08%  | 105.70% | 112.68% | 120.82% |
| Workers compensation        | 126.14% | 112.03% | 137.94% | 151.18% | 82.28%  | 84.81%  | 135.47%  | 83.04%  | 105.13% | 86.00%  |
| Property & liability        | 72.75%  | 55.11%  | 81.35%  | 89.03%  | 95.64%  | 105.16% | 110.41%  | 127.04% | 112.90% | 135.75% |
| LODA                        |         | 47.45%  | 67.76%  | 68.04%  | 337.07% | 469.69% | -111.79% | 100.86% | 153.37% | 208.77% |

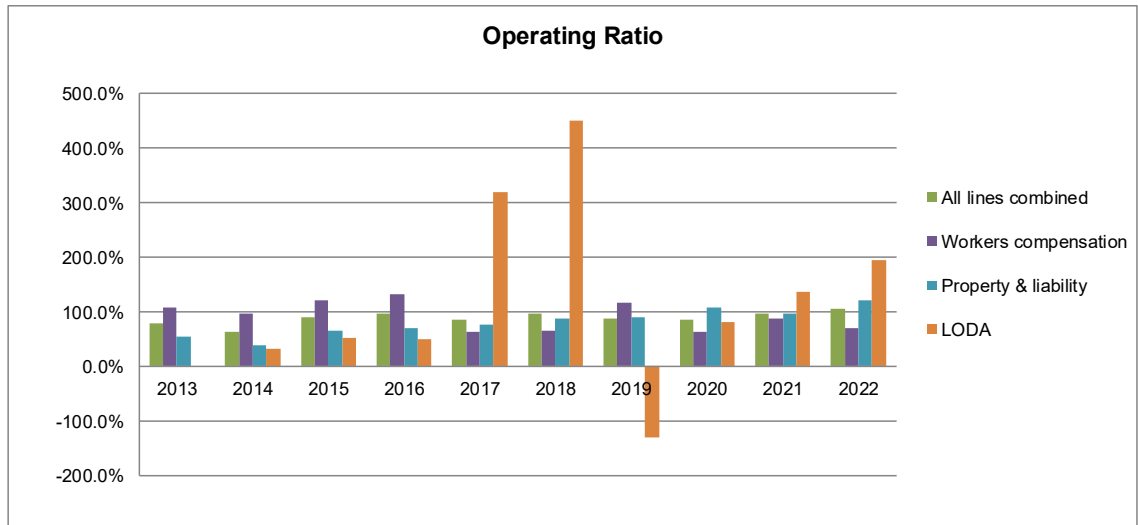




**Virginia Risk Sharing Association and Subsidiaries**  
**Insurance Industry Ratios**  
**All Lines of Coverage Combined, Continued**

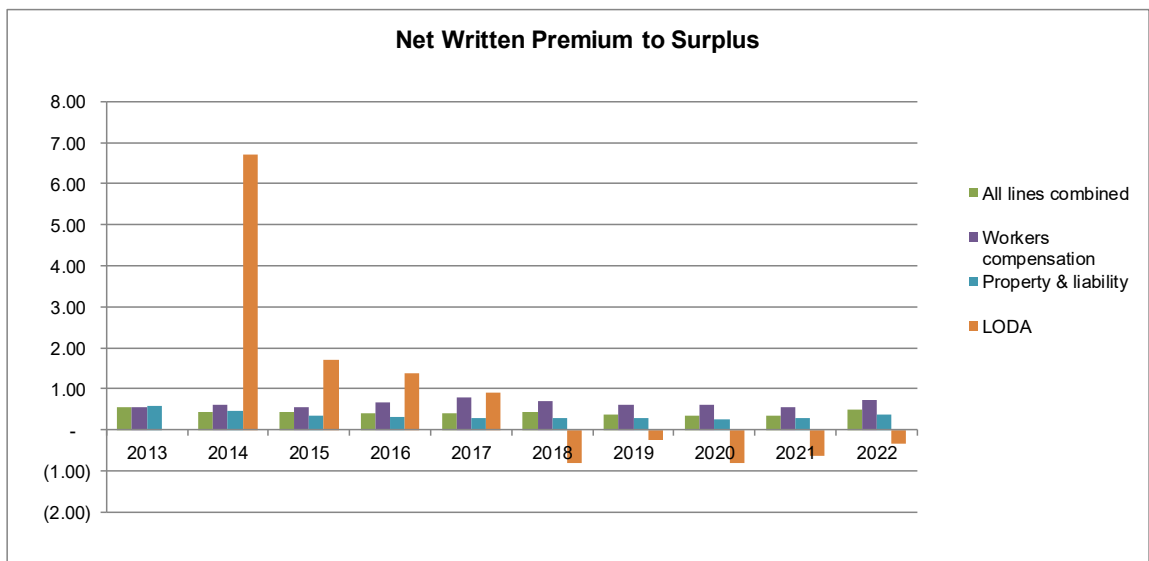
**Operating Ratio**

| Fiscal Year ending June 30, | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| All lines combined          | 79.25%      | 64.24%      | 89.44%      | 96.95%      | 85.02%      | 96.73%      | 88.73%      | 86.54%      | 96.08%      | 105.67%     |
| Workers compensation        | 108.33%     | 95.72%      | 121.62%     | 132.93%     | 64.20%      | 66.43%      | 116.12%     | 63.88%      | 88.54%      | 70.85%      |
| Property & liability        | 54.94%      | 38.81%      | 65.03%      | 70.78%      | 77.56%      | 86.78%      | 91.07%      | 107.88%     | 96.31%      | 120.60%     |
| LODA                        |             | 31.14%      | 51.44%      | 49.78%      | 318.99%     | 451.30%     | -131.14%    | 81.70%      | 136.78%     | 193.62%     |



**Net written premium to surplus** Calculation:  $\text{Net Premiums} / \text{Ending Net Position}$

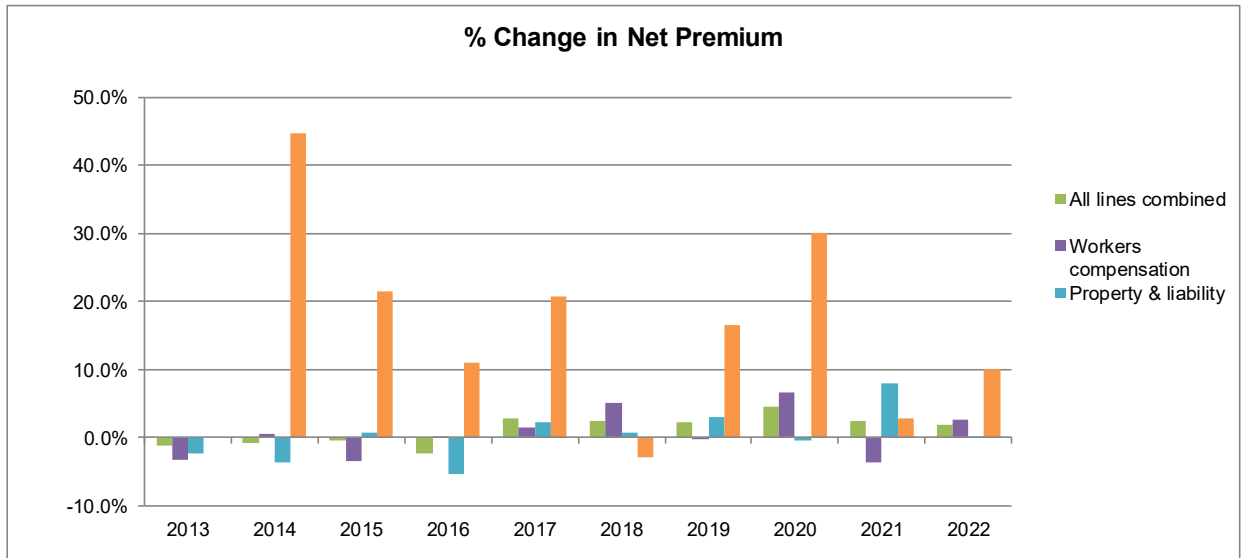
| Fiscal Year ending June 30, | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| All lines combined          | 0.56        | 0.45        | 0.43        | 0.40        | 0.41        | 0.44        | 0.38        | 0.35        | 0.35        | 0.48        |
| Workers compensation        | 0.55        | 0.63        | 0.56        | 0.66        | 0.79        | 0.70        | 0.62        | 0.61        | 0.55        | 0.72        |
| Property & liability        | 0.59        | 0.48        | 0.36        | 0.31        | 0.28        | 0.28        | 0.29        | 0.26        | 0.28        | 0.37        |
| LODA                        |             | 6.70        | 1.71        | 1.38        | 0.91        | (0.80)      | (0.24)      | (0.81)      | (0.64)      | (0.33)      |



**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, | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| All lines combined          | -1.15% | -0.72% | -0.39% | -2.33% | 2.78%  | 2.38%  | 2.33%  | 4.49%  | 2.42%  | 1.96%  |
| Workers compensation        | -3.17% | 0.59%  | -3.40% | 0.08%  | 1.48%  | 5.08%  | -0.16% | 6.71%  | -3.72% | 2.62%  |
| Property & liability        | -2.21% | -3.69% | 0.73%  | -5.29% | 2.27%  | 0.68%  | 3.04%  | -0.37% | 7.94%  | 0.26%  |
| LODA                        |        | 44.62% | 21.52% | 10.97% | 20.65% | -2.82% | 16.54% | 30.10% | 2.80%  | 10.00% |



# 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 |
|---|----------------|---------------|--------------------|------------------|-------------------|------------------------|-----------------------------------|---------|------------|----------------------|-----------------|
| <b>Total Incurred Losses as of June 30,</b> |                |               |                    |                  |                   |                        |                                   |         |            |                      |                 |
| 2022  | 116,599,743    | 41,015,264    | 4,401,036          | 1,409,433        | 59,501,949        | 78,865,738             | 81,805,218                        | 971,971 | 31,025,592 | 555,853,194          | 971,449,138     |
| 2021  | 111,511,131    | 38,118,366    | 4,161,333          | 1,398,736        | 57,839,469        | 71,189,150             | 74,930,205                        | 275,000 | 23,998,954 | 548,684,159          | 932,106,503     |
| 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     |

### % Change from Prior Year by Line

|      |       |       |        |        |       |        |        |         |         |       |       |
|------|-------|-------|--------|--------|-------|--------|--------|---------|---------|-------|-------|
| 2022 | 4.56% | 7.60% | 5.76%  | 0.76%  | 2.87% | 10.78% | 9.18%  | 253.44% | 29.28%  | 1.31% | 4.22% |
| 2021 | 4.54% | 6.21% | 5.27%  | -8.03% | 7.53% | 7.74%  | 10.44% | -56.00% | 23.16%  | 2.76% | 4.75% |
| 2020 | 4.90% | 7.99% | 9.59%  | 0.29%  | 4.02% | 8.39%  | 13.91% | -       | 15.79%  | 2.17% | 4.43% |
| 2019 | 6.44% | 7.33% | 10.96% | -0.69% | 2.99% | 9.09%  | 7.67%  | -       | -16.43% | 4.22% | 4.62% |
| 2018 | 5.27% | 5.48% | 14.20% | 7.84%  | 5.57% | 8.40%  | 8.01%  | -       | -       | 2.43% | 5.12% |
| 2017 | 3.41% | 7.16% | 3.29%  | 16.53% | 8.04% | 9.68%  | 6.67%  | -       | -       | 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% |

### Total Net Paid Losses as of June 30,

|      |            |            |           |           |            |            |            |         |           |             |             |
|------|------------|------------|-----------|-----------|------------|------------|------------|---------|-----------|-------------|-------------|
| 2022 | 98,546,741 | 40,370,389 | 4,230,166 | 1,231,670 | 50,438,175 | 73,487,739 | 58,846,923 | 184,052 | 4,295,793 | 416,642,178 | 748,273,826 |
| 2021 | 96,882,645 | 37,373,563 | 4,031,809 | 1,223,731 | 48,044,000 | 68,679,152 | 53,651,453 | 169,541 | 3,200,876 | 410,971,657 | 724,228,427 |
| 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 |

### % Change from Prior Year by Line

|      |       |       |        |        |       |        |        |         |        |       |       |
|------|-------|-------|--------|--------|-------|--------|--------|---------|--------|-------|-------|
| 2022 | 1.72% | 8.02% | 4.92%  | 0.65%  | 4.98% | 7.00%  | 9.68%  | 8.56%   | 34.21% | 1.38% | 3.32% |
| 2021 | 6.29% | 6.27% | 10.50% | -1.81% | 7.02% | 8.30%  | 8.18%  | -22.99% | 36.91% | 2.29% | 4.44% |
| 2020 | 4.75% | 7.69% | 10.05% | -1.44% | 5.29% | 8.16%  | 11.89% | -       | 38.80% | 2.64% | 4.59% |
| 2019 | 6.09% | 6.92% | 9.53%  | 4.85%  | 6.62% | 10.35% | 9.12%  | -       | 71.63% | 3.50% | 5.29% |
| 2018 | 5.03% | 5.75% | 11.15% | 10.41% | 6.57% | 12.21% | 8.09%  | -       | -      | 3.64% | 5.21% |
| 2017 | 5.43% | 7.99% | 3.91%  | 18.59% | 7.21% | 5.52%  | 11.13% | -       | -      | 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% |

### Total Outstanding Losses as of June 30,

|      |            |         |         |         |            |           |            |         |            |             |             |
|------|------------|---------|---------|---------|------------|-----------|------------|---------|------------|-------------|-------------|
| 2022 | 18,053,002 | 644,875 | 170,870 | 177,763 | 9,063,774  | 5,377,999 | 22,958,295 | 787,919 | 26,729,799 | 139,211,016 | 223,175,312 |
| 2021 | 14,628,486 | 744,803 | 129,524 | 175,005 | 9,795,469  | 2,509,998 | 21,278,752 | 105,459 | 20,798,078 | 137,712,502 | 207,878,076 |
| 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 | 9,076,757  | 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  | 3,223,422 | 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 |

### % Change from Prior Year by Line

|      |         |         |         |         |         |         |         |         |         |        |        |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|
| 2022 | 23.41%  | -13.42% | 31.92%  | 1.58%   | -7.47%  | 114.26% | 7.89%   | 647.13% | 28.52%  | 1.09%  | 7.36%  |
| 2021 | -5.72%  | 2.90%   | -57.45% | -36.23% | 10.09%  | -5.68%  | 16.59%  | -73.95% | 21.28%  | 4.18%  | 5.86%  |
| 2020 | 5.75%   | 25.09%  | 4.38%   | 8.99%   | -1.97%  | 13.97%  | 19.78%  | -       | 13.23%  | 0.77%  | 3.87%  |
| 2019 | 8.50%   | 36.45%  | 30.36%  | -21.51% | -11.20% | -15.23% | 3.67%   | -       | -20.94% | 6.42%  | 2.34%  |
| 2018 | 6.77%   | -11.29% | 81.72%  | -0.81%  | 1.83%   | -34.47% | 7.79%   | -       | -       | -1.10% | 4.83%  |
| 2017 | -7.52%  | -26.99% | -8.83%  | 10.07%  | 11.25%  | 97.29%  | -3.96%  | -       | -       | -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%  |

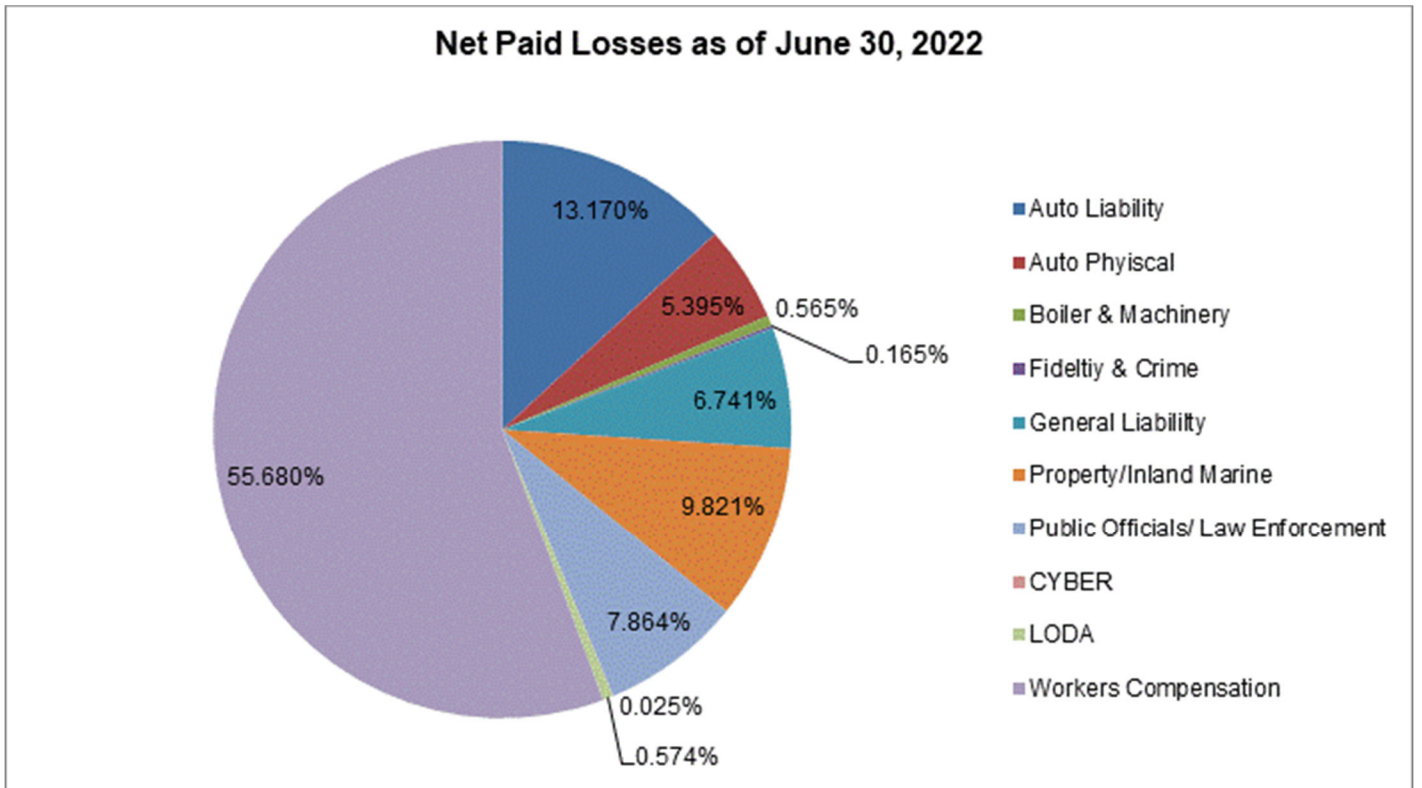
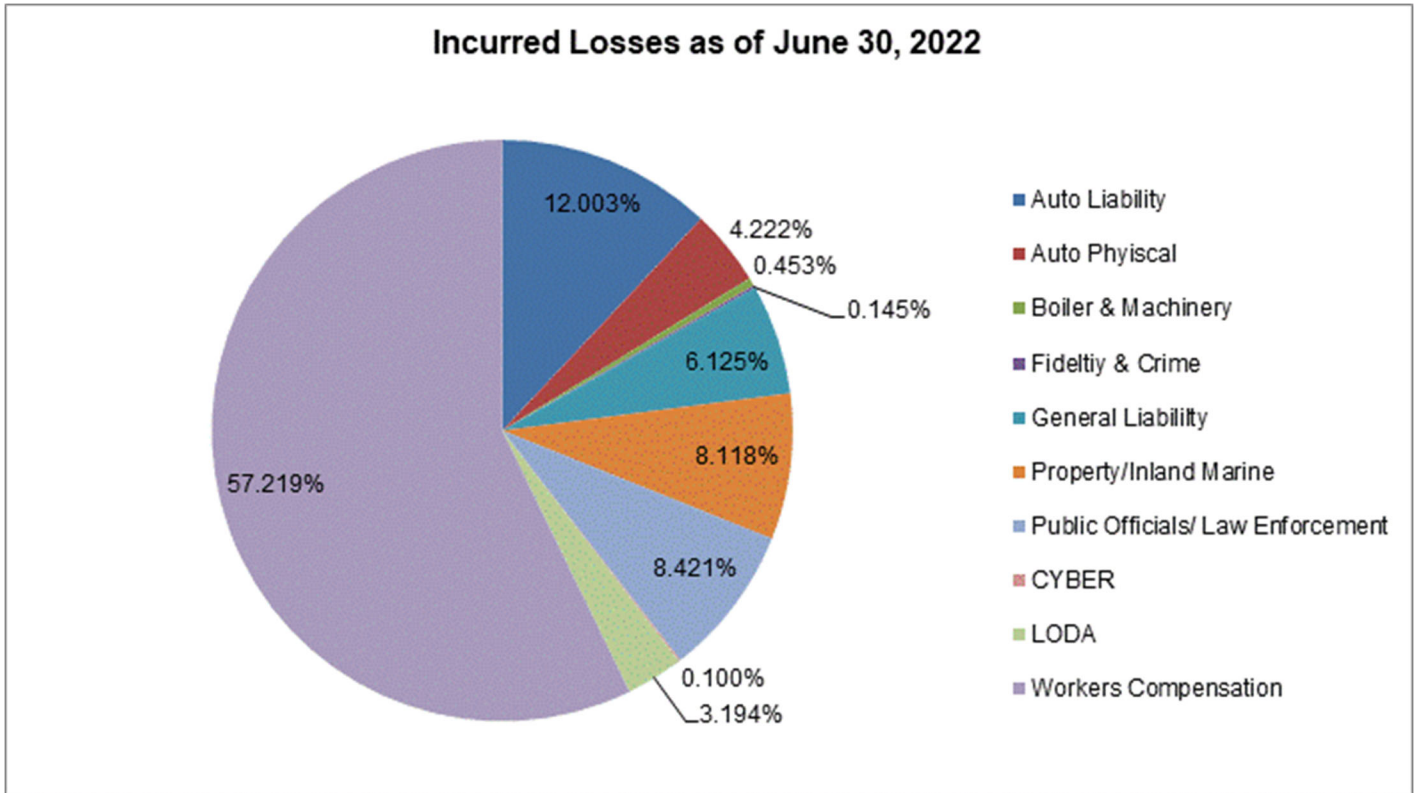
Total incurred losses = Total outstanding losses + Total net paid losses

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

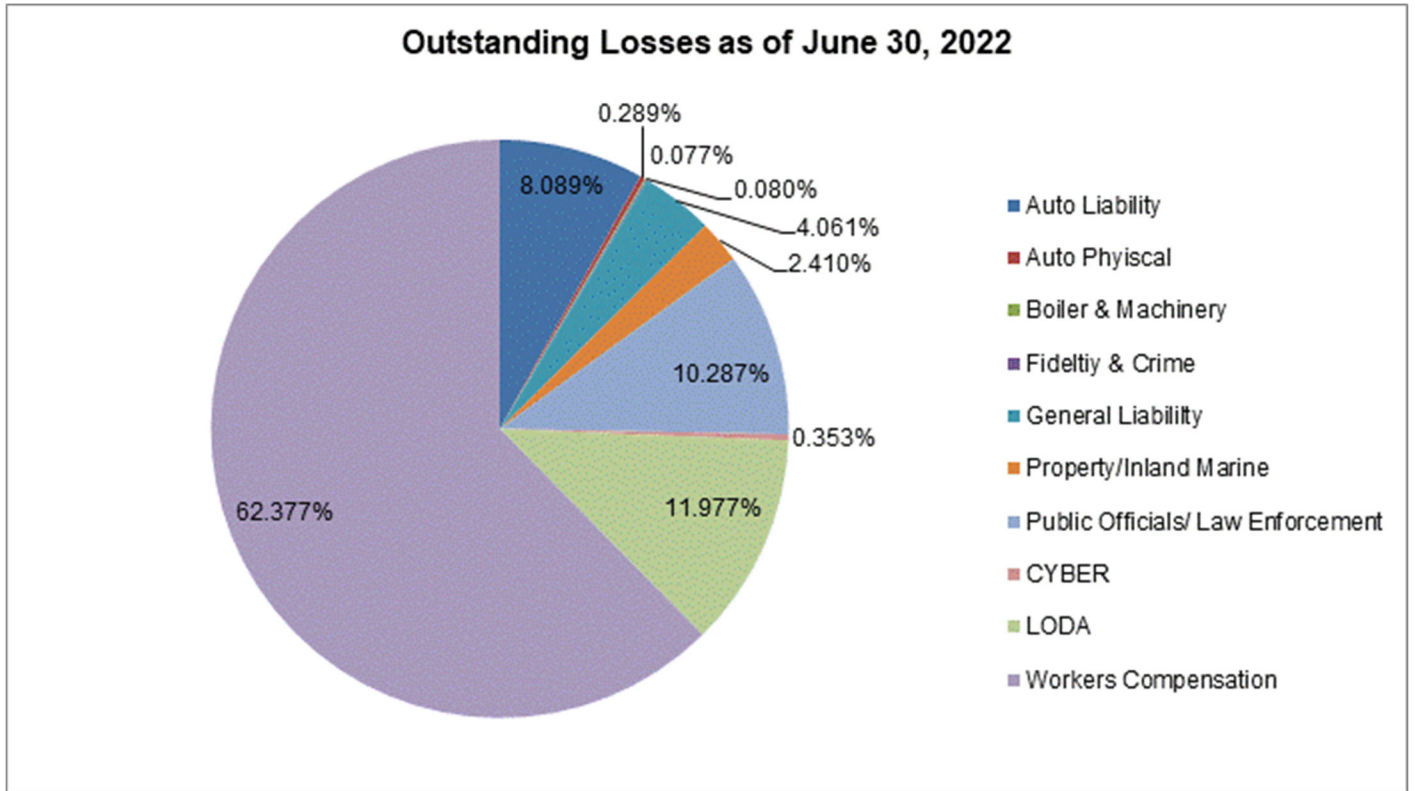
Total outstanding losses = Case reserves on individual claims + incurred but not reported reserves as indicated by actuary

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,**

| <b>WORKERS COMPENSATION</b>  |               |               |                |                |                |                |                |                |                |                |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2022</b>   | <b>2021</b>   | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    | <b>2015</b>    | <b>2014</b>    | <b>2013</b>    |
| <b>1. Premiums</b>   |               |               |                |                |                |                |                |                |                |                |
| Earned   | \$ 10,755,399 | \$ 25,012,691 | \$ 22,331,107  | \$ 21,035,289  | \$ 20,845,868  | \$ 20,054,717  | \$ 20,083,515  | \$ 20,351,394  | \$ 20,919,822  | \$ 20,299,909  |
| Ceded  | 1,080,665     | 1,018,829     | 1,022,538      | 1,067,384      | 846,297        | 1,021,186      | 1,327,043      | 1,610,256      | 1,518,664      | 1,012,206      |
| Net earned   | 9,674,734     | 23,993,862    | 21,308,569     | 19,967,905     | 19,999,571     | 19,033,531     | 18,756,472     | 18,741,138     | 19,401,158     | 19,287,703     |
| <b>2. Initial estimated total incurred losses</b>                              |               |               |                |                |                |                |                |                |                |                |
| Incurred   | \$ 26,530,194 | \$ 26,385,040 | \$ 21,400,000  | \$ 29,128,146  | \$ 21,099,392  | \$ 20,950,000  | \$ 24,678,739  | \$ 21,250,000  | \$ 20,064,438  | \$ 21,250,000  |
| Ceded  | 667,543       | 635,040       | -              | 3,078,146      | 249,392        | -              | 178,739        | -              | 314,438        | -              |
| Net incurred   | 25,862,651    | 25,750,000    | 21,400,000     | 26,050,000     | 20,850,000     | 20,950,000     | 24,500,000     | 21,250,000     | 19,750,000     | 21,250,000     |
| <b>3. Paid losses (cumulative)</b>   |               |               |                |                |                |                |                |                |                |                |
| Policy year  | \$ 3,205,610  | \$ 4,508,243  | \$ 3,484,002   | \$ 5,366,802   | \$ 5,065,356   | \$ 4,799,580   | \$ 4,113,698   | \$ 4,271,153   | \$ 4,163,479   | \$ 4,489,944   |
| One year later   |               | 9,205,135     | 5,873,828      | 8,659,469      | 8,978,307      | 8,815,542      | 7,385,864      | 8,497,761      | 7,727,166      | 8,423,107      |
| Two years later  |               |               | 6,731,006      | 9,308,626      | 9,681,264      | 10,194,407     | 9,288,792      | 9,791,484      | 9,300,495      | 10,220,089     |
| Three years later  |               |               |                | 10,263,050     | 10,060,514     | 10,463,830     | 10,013,751     | 10,062,087     | 10,197,695     | 11,655,391     |
| Four years later   |               |               |                |                | 10,144,742     | 10,529,531     | 10,151,866     | 10,233,482     | 10,336,571     | 12,013,509     |
| Five years later   |               |               |                |                |                | 10,552,313     | 10,138,264     | 10,284,472     | 10,424,071     | 12,269,879     |
| Six years later  |               |               |                |                |                |                | 10,148,107     | 10,363,525     | 10,604,137     | 12,462,290     |
| Seven years later  |               |               |                |                |                |                |                | 10,399,237     | 10,679,492     | 12,558,910     |
| Eight years later  |               |               |                |                |                |                |                |                | 10,716,833     | 12,636,648     |
| Nine years later   |               |               |                |                |                |                |                |                |                | 12,902,804     |
| <b>4. Re-estimated ceded losses</b>  | \$ 667,543    | \$ 3,095,975  | \$ 367,000     | \$ 1,130,897   | \$ -           | \$ -           | \$ 31,348      | \$ -           | \$ -           | \$ 291,890     |
| <b>5. Re-estimated total incurred losses</b>                                   |               |               |                |                |                |                |                |                |                |                |
| Policy year  | \$ 25,862,651 | \$ 25,750,000 | \$ 21,400,000  | \$ 26,050,000  | \$ 20,850,000  | \$ 20,950,000  | \$ 24,500,000  | \$ 21,250,000  | \$ 19,750,000  | \$ 21,250,000  |
| One year later   |               | 25,800,000    | 18,750,000     | 21,325,000     | 20,350,000     | 20,650,000     | 21,250,000     | 20,350,000     | 19,600,000     | 20,000,000     |
| Two years later  |               |               | 17,209,959     | 18,350,000     | 18,000,000     | 19,400,000     | 19,800,000     | 18,950,000     | 19,100,000     | 19,550,000     |
| Three years later  |               |               |                | 18,433,752     | 17,250,000     | 17,950,000     | 18,300,000     | 18,050,000     | 18,125,000     | 19,400,000     |
| Four years later   |               |               |                |                | 16,250,000     | 17,450,000     | 17,475,000     | 17,300,000     | 17,175,000     | 18,900,000     |
| Five years later   |               |               |                |                |                | 16,225,000     | 16,825,000     | 17,075,000     | 16,425,000     | 18,200,000     |
| Six years later  |               |               |                |                |                |                | 15,810,000     | 16,325,000     | 16,450,000     | 17,950,000     |
| Seven years later  |               |               |                |                |                |                |                | 15,600,000     | 15,700,000     | 17,675,000     |
| Eight years later  |               |               |                |                |                |                |                |                | 15,215,000     | 17,425,000     |
| Nine years later   |               |               |                |                |                |                |                |                |                | 17,450,000     |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |               | 50,000        | \$ (4,190,041) | \$ (7,616,248) | \$ (4,600,000) | \$ (4,725,000) | \$ (8,690,000) | \$ (5,650,000) | \$ (4,535,000) | \$ (3,800,000) |

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

| <b>LODA</b>  |              |              |              |              |                |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|
|  | <b>2022</b>  | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>    | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  | <b>2013</b>  |
| <b>1. Premiums</b>   |              |              |              |              |                |              |              |              |              |              |
| Earned   | \$ 1,851,005 | \$ 4,295,886 | \$ 3,562,172 | \$ 2,737,991 | \$ 2,349,383   | \$ 3,130,211 | \$ 2,003,715 | \$ 1,805,629 | \$ 1,485,866 | \$ 1,027,395 |
| Ceded  | -            | -            | -            | -            | -              | -            | -            | -            | -            | -            |
| Net earned   | 1,851,005    | 4,295,886    | 3,562,172    | 2,737,991    | 2,349,383      | 551,648      | 2,003,715    | 1,805,629    | 1,485,866    | 1,027,395    |
| <b>2. Initial estimated total incurred losses</b>                              |              |              |              |              |                |              |              |              |              |              |
| Incurred   | \$ 5,327,765 | \$ 3,670,076 | \$ 2,487,009 | \$ 2,174,078 | \$ 6,999,685   | \$ 4,591,978 | \$ 553,048   | \$ 1,114,921 | \$ 176,329   | \$ 1,039,904 |
| Ceded  | -            | -            | -            | -            | -              | -            | -            | -            | -            | -            |
| Net incurred   | 5,327,765    | 3,670,076    | 2,487,009    | 2,174,078    | 6,999,685      | 4,591,978    | 553,048      | 1,114,921    | 176,329      | 1,039,904    |
| <b>3. Paid losses (cumulative)</b>   |              |              |              |              |                |              |              |              |              |              |
| Policy year  | \$ 190,659   | \$ 138,739   | \$ 54,406    | \$ 110,345   | \$ 219,524     | \$ 23,531    | \$ 45,023    | \$ 83,348    | \$ 5,762     | \$ 6,502     |
| One year later   |              | 258,144      | 170,289      | 198,021      | 458,625        | 185,197      | 54,490       | 135,837      | 7,190.00     | 55,589       |
| Two years later  |              |              | 278,683      | 253,725      | 654,538        | 346,940      | 94,113       | 168,438      | 8,843.00     | 83,640       |
| Three years later  |              |              |              | 374,796      | 862,649        | 502,641      | 130,813      | 223,132      | 10,031.00    | 115,073      |
| Four years later   |              |              |              |              | 1,061,995      | 661,258      | 151,663      | 273,097      | 38,231       | 140,963      |
| Five years later   |              |              |              |              |                | 830,296      | 187,738      | 322,686      | 66,431       | 221,220      |
| Six years later  |              |              |              |              |                |              | 232,351      | 373,758      | 93,527       | 298,113      |
| Seven years later  |              |              |              |              |                |              |              | 428,292      | 121,379      | 360,458      |
| Eight years later  |              |              |              |              |                |              |              |              | 151,211      | 427,591      |
| Nine years later   |              |              |              |              |                |              |              |              |              | 489,366      |
| <b>4. Re-estimated ceded losses</b>  |              | \$ -         | \$ -         | \$ -         | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>5. Re-estimated total incurred losses</b>                                   |              |              |              |              |                |              |              |              |              |              |
| Policy year  | \$ 5,327,765 | \$ 3,670,076 | \$ 2,487,009 | \$ 2,174,078 | \$ 6,999,685   | \$ 4,591,978 | \$ 553,048   | \$ 1,114,921 | \$ 176,329   | \$ 1,039,904 |
| One year later   |              | 3,785,237    | 2,657,101    | 2,191,747    | 4,905,477      | 6,775,214    | 1,312,126    | 1,817,715    | 174,653      | 1,568,478    |
| Two years later  |              |              | 3,965,819    | 2,453,258    | 4,753,146      | 4,912,842    | 1,232,883    | 1,714,104    | 51,729       | 1,652,945    |
| Three years later  |              |              |              | 2,610,455    | 5,094,050      | 4,648,516    | 1,077,914    | 1,736,889    | 271,990      | 1,440,512    |
| Four years later   |              |              |              |              | 5,133,925      | 5,133,925    | 1,004,319    | 1,130,925    | 655,664      | 2,623,152    |
| Five years later   |              |              |              |              |                | 5,145,849    | 1,107,955    | 1,018,304    | 470,804      | 2,737,948    |
| Six years later  |              |              |              |              |                |              | 1,075,784    | 1,139,521    | 448,313      | 2,157,215    |
| Seven years later  |              |              |              |              |                |              |              | 1,209,428    | 488,340      | 1,965,255    |
| Eight years later  |              |              |              |              |                |              |              |              | 490,688      | 2,254,728    |
| Nine years later   |              |              |              |              |                |              |              |              |              | 2,263,244    |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |              | 115,161      | \$ 1,478,810 | \$ 436,377   | \$ (1,848,361) | \$ 553,871   | \$ 522,736   | \$ 94,507    | \$ 314,359   | \$ 1,223,340 |

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

| <b>COMBINED PROPERTY &amp; LIABILITY</b>                                       |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   | <b>2013</b>   |
| <b>1. Premiums</b>   |               |               |               |               |               |               |               |               |               |               |
| Earned   | \$ 20,465,656 | \$ 36,022,187 | \$ 30,175,276 | \$ 29,565,430 | \$ 28,532,948 | \$ 28,541,538 | \$ 27,915,508 | \$ 28,649,112 | \$ 28,597,037 | \$ 28,533,010 |
| Ceded  | 9,274,717     | 7,163,798     | 7,395,582     | 6,768,709     | 6,237,175     | 6,411,502     | 6,015,456     | 5,436,375     | 5,585,171     | 4,602,199     |
| Net earned   | 11,190,939    | 28,858,389    | 22,779,694    | 22,796,721    | 22,295,773    | 22,130,036    | 21,900,052    | 23,212,737    | 23,011,866    | 23,930,811    |
| <b>2. Initial estimated total incurred losses</b>                              |               |               |               |               |               |               |               |               |               |               |
| Incurred   | \$ 30,148,559 | \$ 23,686,800 | \$ 34,891,716 | \$ 25,528,908 | \$ 27,377,289 | \$ 23,842,328 | \$ 19,700,000 | \$ 22,300,000 | \$ 23,886,334 | \$ 20,955,813 |
| Ceded  | 222,898       | 386,800       | 9,791,716     | 53,196        | 2,315,341     | 967,328       | -             | 1,900,000     | 2,436,334     | 55,813        |
| Net incurred   | 29,925,661    | 23,300,000    | 25,100,000    | 25,675,712    | 25,211,948    | 22,875,000    | 19,700,000    | 20,400,000    | 21,450,000    | 20,900,000    |
| <b>3. Paid losses (cumulative)</b>   |               |               |               |               |               |               |               |               |               |               |
| Policy year  | \$ 8,373,696  | \$ 6,999,233  | \$ 8,708,751  | \$ 9,176,467  | \$ 8,266,686  | \$ 6,947,648  | \$ 5,825,224  | \$ 6,606,857  | \$ 5,895,432  | \$ 4,919,879  |
| One year later   |               |               | \$ 14,647,486 | \$ 13,425,572 | \$ 12,843,453 | \$ 11,271,780 | \$ 9,505,275  | \$ 10,647,837 | \$ 10,413,627 | \$ 7,670,565  |
| Two years later  |               |               |               | \$ 16,517,089 | \$ 15,645,621 | \$ 13,772,484 | \$ 11,342,545 | \$ 13,929,897 | \$ 12,254,881 | \$ 9,684,028  |
| Three years later  |               |               |               |               | \$ 18,706,158 | \$ 15,087,454 | \$ 13,061,293 | \$ 14,431,969 | \$ 13,011,272 | \$ 10,531,373 |
| Four years later   |               |               |               |               |               | \$ 16,219,467 | \$ 14,026,003 | \$ 15,246,988 | \$ 14,746,511 | \$ 11,299,093 |
| Five years later   |               |               |               |               |               |               | \$ 14,098,812 | \$ 15,523,768 | \$ 15,124,432 | \$ 11,645,466 |
| Six years later  |               |               |               |               |               |               |               | \$ 15,890,761 | \$ 16,111,048 | \$ 11,670,378 |
| Seven years later  |               |               |               |               |               |               |               |               | \$ 16,445,610 | \$ 11,682,155 |
| Eight years later  |               |               |               |               |               |               |               |               |               | \$ 11,695,109 |
| Nine years later   |               |               |               |               |               |               |               |               |               |               |
| <b>4. Re-estimated ceded losses</b>  | \$ 222,898    | \$ 3,993,796  | \$ 12,156,897 | \$ 4,107,955  | \$ 3,206,745  | \$ 1,136,652  | \$ 1,018,948  | \$ 1,790,972  | \$ 8,271,578  | \$ 209,480    |
| <b>5. Re-estimated total incurred losses</b>                                   |               |               |               |               |               |               |               |               |               |               |
| Policy year  | \$ 29,925,661 | \$ 23,300,000 | \$ 25,100,000 | \$ 25,675,712 | \$ 25,211,948 | \$ 22,875,000 | \$ 19,700,000 | \$ 20,400,000 | \$ 21,450,000 | \$ 20,900,000 |
| One year later   |               |               | 25,466,481    | 24,893,444    | 23,429,705    | 22,344,459    | 18,636,941    | 19,153,073    | 19,845,223    | 16,865,288    |
| Two years later  |               |               |               | 24,487,521    | 23,953,843    | 20,614,931    | 18,032,078    | 19,632,339    | 18,411,366    | 15,447,056    |
| Three years later  |               |               |               |               | 23,972,884    | 19,353,631    | 16,652,390    | 17,827,598    | 17,586,031    | 14,296,953    |
| Four years later   |               |               |               |               |               | 19,407,389    | 16,130,471    | 17,969,049    | 19,049,602    | 13,150,029    |
| Five years later   |               |               |               |               |               |               | 15,632,874    | 17,741,311    | 16,572,513    | 12,399,718    |
| Six years later  |               |               |               |               |               |               |               | 17,407,788    | 17,177,418    | 11,959,430    |
| Seven years later  |               |               |               |               |               |               |               |               | 17,022,243    | 11,682,195    |
| Eight years later  |               |               |               |               |               |               |               |               |               | 11,858,873    |
| Nine years later   |               |               |               |               |               |               |               |               |               |               |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |               | 23,300,000    | (366,481)     | (1,188,191)   | (1,239,064)   | (3,467,611)   | (4,067,126)   | (2,992,212)   | (4,427,757)   | (9,041,127)   |



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

| <b>GENERAL LIABILITY</b>   |              |                  |              |              |                |                |                |                |              |                |
|--|--------------|------------------|--------------|--------------|----------------|----------------|----------------|----------------|--------------|----------------|
|  | <b>2022</b>  | <b>2021</b>      | <b>2020</b>  | <b>2019</b>  | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    | <b>2015</b>    | <b>2014</b>  | <b>2013</b>    |
| <b>1. Premiums</b>   |              |                  |              |              |                |                |                |                |              |                |
| Earned   | \$ 1,644,439 | \$ 3,737,542     | \$ 2,738,630 | \$ 2,908,569 | \$ 2,970,925   | \$ 2,994,970   | \$ 3,077,724   | \$ 3,519,738   | \$ 3,609,788 | \$ 3,658,309   |
| Ceded  | 83,613       | 81,070           | -            | -            | -              | -              | -              | -              | -            | -              |
| Net earned   | 1,560,826    | 3,656,472        | 2,738,630    | 2,908,569    | 2,970,925      | 2,994,970      | 3,077,724      | 3,519,738      | 3,609,788    | 3,658,309      |
| <b>2. Initial estimated total incurred losses</b>                              |              |                  |              |              |                |                |                |                |              |                |
| Incurred   | \$ 3,675,183 | \$ 3,900,000     | \$ 3,400,000 | \$ 3,500,000 | \$ 4,250,000   | \$ 4,250,000   | \$ 3,850,000   | \$ 3,500,000   | \$ 3,600,000 | \$ 3,500,000   |
| Ceded  | -            | -                | -            | -            | -              | -              | -              | -              | -            | -              |
| Net incurred   | 3,675,183    | 3,900,000        | 3,400,000    | 3,500,000    | 4,250,000      | 4,250,000      | 3,850,000      | 3,500,000      | 3,600,000    | 3,500,000      |
| <b>3. Paid losses (cumulative)</b>   |              |                  |              |              |                |                |                |                |              |                |
| Policy year  | \$ 808,967   | \$ 1,163,113     | \$ 1,021,315 | \$ 1,024,550 | \$ 903,473     | \$ 1,048,763   | \$ 1,136,335   | \$ 895,614     | \$ 885,529   | \$ 1,003,877   |
| One year later   |              | 1,733,344        | 1,671,978    | 1,446,917    | 1,499,235      | 1,537,701      | 1,655,629      | 1,175,828      | 1,533,931    | 1,403,251      |
| Two years later  |              |                  | 1,962,354    | 1,795,785    | 1,819,099      | 1,971,281      | 2,069,185      | 1,632,747      | 1,677,702    | 1,572,252      |
| Three years later  |              |                  |              | 1,880,176    | 1,997,708      | 2,071,828      | 2,277,227      | 1,818,193      | 1,870,556    | 1,648,562      |
| Four years later   |              |                  |              |              | 2,355,835      | 2,399,666      | 2,579,803      | 1,947,725      | 2,173,564    | 1,716,489      |
| Five years later   |              |                  |              |              |                | 2,568,941      | 2,581,668      | 2,017,293      | 2,390,100    | 1,752,448      |
| Six years later  |              |                  |              |              |                |                | 2,581,668      | 2,169,018      | 2,407,506    | 1,774,695      |
| Seven years later  |              |                  |              |              |                |                |                | 2,319,695      | 2,740,057    | 1,777,271      |
| Eight years later  |              |                  |              |              |                |                |                |                | 2,740,139    | 1,777,271      |
| Nine years later   |              |                  |              |              |                |                |                |                |              | 1,777,271      |
| <b>4. Re-estimated ceded losses</b>  |              | \$ -             | \$ -         | \$ -         | \$ -           | \$ -           | \$ -           | \$ -           | \$ -         | \$ -           |
| <b>5. Re-estimated total incurred losses</b>                                   |              |                  |              |              |                |                |                |                |              |                |
| Policy year  | \$ 3,675,183 | \$ 3,900,000     | \$ 3,400,000 | \$ 3,500,000 | \$ 4,250,000   | \$ 4,250,000   | \$ 3,850,000   | \$ 3,500,000   | \$ 3,600,000 | \$ 3,500,000   |
| One year later   |              | 3,510,434        | 3,500,000    | 3,600,000    | 3,500,000      | 3,750,000      | 3,850,000      | 3,000,000      | 3,500,000    | 3,250,000      |
| Two years later  |              |                  | 2,966,769    | 4,000,000    | 3,200,000      | 3,500,000      | 3,500,000      | 3,100,000      | 3,000,000    | 3,000,000      |
| Three years later  |              |                  |              | 3,311,571    | 3,000,000      | 3,000,000      | 3,500,000      | 2,800,000      | 3,100,000    | 2,500,000      |
| Four years later   |              |                  |              |              | 3,063,075      | 3,150,000      | 3,200,000      | 2,500,000      | 3,150,000    | 2,250,000      |
| Five years later   |              |                  |              |              |                | 2,922,217      | 3,000,000      | 2,500,000      | 3,150,000    | 2,200,000      |
| Six years later  |              |                  |              |              |                |                | 2,835,618      | 2,450,000      | 3,050,000    | 2,000,000      |
| Seven years later  |              |                  |              |              |                |                |                | 2,498,177      | 3,000,000    | 1,777,271      |
| Eight years later  |              |                  |              |              |                |                |                |                | 2,879,439    | 1,777,271      |
| Nine years later   |              |                  |              |              |                |                |                |                |              | 1,777,271      |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |              | <b>(389,566)</b> | \$ (433,231) | \$ (188,429) | \$ (1,186,925) | \$ (1,327,783) | \$ (1,014,382) | \$ (1,001,823) | \$ (720,561) | \$ (1,722,729) |

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

| <b>PUBLIC OFFICIALS/LAW ENFORCEMENT</b>  |              |                  |              |              |              |              |              |              |                |                |
|--|--------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
|  | <b>2022</b>  | <b>2021</b>      | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>    | <b>2013</b>    |
| <b>1. Premiums</b>   |              |                  |              |              |              |              |              |              |                |                |
| Earned   | \$ 1,643,868 | \$ 4,113,581     | \$ 3,274,328 | \$ 3,105,184 | \$ 3,072,947 | \$ 3,132,465 | \$ 3,297,492 | \$ 3,776,673 | \$ 3,879,133   | \$ 3,986,826   |
| Ceded  | -            | -                | -            | -            | -            | -            | -            | -            | -              | -              |
| Net earned   | 1,643,868    | 4,113,581        | 3,274,328    | 3,105,184    | 3,072,947    | 3,132,465    | 3,297,492    | 3,776,673    | 3,879,133      | 3,986,826      |
| <b>2. Initial estimated total incurred losses</b>                              |              |                  |              |              |              |              |              |              |                |                |
| Incurred   | \$ 5,758,853 | \$ 7,200,000     | \$ 6,100,000 | \$ 5,000,000 | \$ 5,661,948 | \$ 4,200,000 | \$ 4,000,000 | \$ 3,500,000 | \$ 4,500,000   | \$ 5,000,000   |
| Ceded  | -            | -                | -            | -            | -            | -            | -            | -            | -              | -              |
| Net incurred   | 5,758,853    | 7,200,000        | 6,100,000    | 5,000,000    | 5,661,948    | 4,200,000    | 4,000,000    | 3,500,000    | 4,500,000      | 5,000,000      |
| <b>3. Paid losses (cumulative)</b>   |              |                  |              |              |              |              |              |              |                |                |
| Policy year  | \$ 65,891    | \$ 370,068       | \$ 204,471   | \$ 191,096   | \$ 488,303   | \$ 300,619   | \$ 212,685   | \$ 51,393    | \$ 182,431     | \$ 145,457     |
| One year later   |              | 1,556,915        | 1,293,900    | 1,046,015    | 1,565,014    | 996,086      | 666,589      | 443,380      | 844,926        | 617,304        |
| Two years later  |              |                  | 3,137,921    | 1,853,592    | 3,508,560    | 1,708,917    | 1,724,554    | 2,397,590    | 1,417,570      | 969,295        |
| Three years later  |              |                  |              | 2,093,676    | 4,377,710    | 2,324,213    | 2,679,700    | 2,565,038    | 1,660,779      | 1,695,649      |
| Four years later   |              |                  |              |              | 4,895,095    | 2,955,029    | 3,210,431    | 3,112,390    | 2,009,152      | 2,379,835      |
| Five years later   |              |                  |              |              |              | 3,396,543    | 3,265,165    | 3,246,168    | 2,164,326      | 2,496,972      |
| Six years later  |              |                  |              |              |              |              | 3,400,373    | 3,465,737    | 3,133,685      | 2,499,603      |
| Seven years later  |              |                  |              |              |              |              |              | 4,226,810    | 3,135,616      | 2,509,139      |
| Eight years later  |              |                  |              |              |              |              |              |              | 3,135,616      | 2,522,626      |
| Nine years later   |              |                  |              |              |              |              |              |              |                | 2,524,298      |
| <b>4. Re-estimated ceded losses</b>  |              | \$ -             | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 662,654   | \$ 2,808,530   | \$ -           |
| <b>5. Re-estimated total incurred losses</b>                                   |              |                  |              |              |              |              |              |              |                |                |
| Policy year  | \$ 5,758,853 | \$ 7,200,000     | \$ 6,100,000 | \$ 5,000,000 | \$ 5,661,948 | \$ 4,200,000 | \$ 4,000,000 | \$ 3,500,000 | \$ 4,500,000   | \$ 5,000,000   |
| One year later   |              | 6,980,917        | 6,400,000    | 5,400,000    | 5,558,460    | 5,661,948    | 3,800,000    | 3,500,000    | 3,750,000      | 3,750,000      |
| Two years later  |              |                  | 7,114,842    | 5,200,000    | 6,700,000    | 4,488,400    | 4,411,547    | 4,600,000    | 3,750,000      | 3,250,000      |
| Three years later  |              |                  |              | 4,243,843    | 6,700,000    | 4,296,989    | 3,933,977    | 3,665,387    | 3,000,000      | 3,350,000      |
| Four years later   |              |                  |              |              | 6,403,995    | 4,311,985    | 4,231,631    | 4,672,985    | 4,926,103      | 3,100,000      |
| Five years later   |              |                  |              |              |              | 5,743,561    | 4,072,787    | 4,701,657    | 2,569,224      | 2,593,863      |
| Six years later  |              |                  |              |              |              |              | 4,429,436    | 4,596,495    | 3,424,288      | 2,563,309      |
| Seven years later  |              |                  |              |              |              |              |              | 4,425,101    | 3,319,113      | 2,509,139      |
| Eight years later  |              |                  |              |              |              |              |              |              | 3,135,616      | 2,675,069      |
| Nine years later   |              |                  |              |              |              |              |              |              |                | 2,524,298      |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |              | <b>(219,083)</b> | \$ 1,014,842 | \$ (756,157) | \$ 742,047   | \$ 1,543,561 | \$ 429,436   | \$ 925,101   | \$ (1,364,384) | \$ (2,475,702) |

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

| <b>AUTOMOBILE</b>  |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
|--|---------------|------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <b>2022</b>   | <b>2021</b>      | <b>2020</b>         | <b>2019</b>         | <b>2018</b>       | <b>2017</b>           | <b>2016</b>           | <b>2015</b>           | <b>2014</b>           | <b>2013</b>           |
| <b>1. Premiums</b>   |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
| Earned   | \$ 4,270,004  | \$ 10,662,244    | \$ 7,834,492        | \$ 8,867,732        | \$ 8,326,381      | \$ 8,092,621          | \$ 8,181,996          | \$ 8,953,955          | \$ 9,162,033          | \$ 9,341,596          |
| Ceded  |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
| Net earned   | 4,270,004     | 10,662,244       | 7,834,492           | 8,867,732           | 8,326,381         | 8,092,621             | 8,181,996             | 8,953,955             | 9,162,033             | 9,341,596             |
| <b>2. Initial estimated total incurred losses</b>                              |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
| Incurred   | \$ 11,016,194 | \$ 7,886,800     | \$ 8,964,716        | \$ 10,630,065       | \$ 10,709,000     | \$ 8,200,000          | \$ 8,350,000          | \$ 8,000,000          | \$ 9,386,500          | \$ 8,105,813          |
| Ceded  | 70,036        | 386,800          | 64,716              | 36,196              | 1,509,000         | -                     | -                     | -                     | 1,111,500             | 55,813                |
| Net incurred   | 10,946,158    | 7,500,000        | 8,900,000           | 10,593,869          | 9,200,000         | 8,200,000             | 8,350,000             | 8,000,000             | 8,275,000             | 8,050,000             |
| <b>3. Paid losses (cumulative)</b>   |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
| Policy year  | \$ 3,733,280  | \$ 2,868,084     | \$ 3,612,342        | \$ 3,869,183        | \$ 3,140,582      | \$ 3,058,884          | \$ 2,775,793          | \$ 3,305,481          | \$ 2,349,635          | \$ 2,376,083          |
| One year later   |               | 4,726,734        | 4,819,498           | 5,523,981           | 4,708,141         | 3,737,665             | 4,389,227             | 3,815,488             | 4,925,406             | 3,550,702             |
| Two years later  |               |                  | 8,023,516           | 7,386,973           | 5,122,207         | 4,742,899             | 4,714,299             | 4,775,246             | 5,726,603             | 5,040,178             |
| Three years later  |               |                  |                     | 7,606,114           | 7,207,175         | 5,376,142             | 5,211,329             | 4,929,925             | 6,115,020             | 5,095,601             |
| Four years later   |               |                  |                     |                     | 7,597,213         | 5,547,273             | 5,342,469             | 5,066,889             | 7,216,800             | 5,110,989             |
| Five years later   |               |                  |                     |                     |                   | 5,699,752             | 5,353,254             | 5,141,753             | 7,223,011             | 5,299,331             |
| Six years later  |               |                  |                     |                     |                   |                       | 5,523,221             | 5,141,170             | 7,222,862             | 5,299,365             |
| Seven years later  |               |                  |                     |                     |                   |                       |                       | 5,140,374             | 7,222,942             | 5,299,030             |
| Eight years later  |               |                  |                     |                     |                   |                       |                       |                       | 7,252,375             | 5,298,497             |
| Nine years later   |               |                  |                     |                     |                   |                       |                       |                       |                       | 5,405,651             |
| <b>4. Re-estimated ceded losses</b>  | \$ 70,036     | \$ 307,259       | \$ 696,312          | \$ 4,065,028        | \$ 1,782,121      | \$ -                  | \$ 106,632            | \$ 220,574            | \$ 4,414,664          | \$ 55,813             |
| <b>5. Re-estimated total incurred losses</b>                                   |               |                  |                     |                     |                   |                       |                       |                       |                       |                       |
| Policy year  | \$ 10,946,158 | \$ 7,500,000     | \$ 8,900,000        | \$ 10,593,869       | \$ 9,200,000      | \$ 8,200,000          | \$ 8,350,000          | \$ 8,000,000          | \$ 8,275,000          | \$ 8,050,000          |
| One year later   |               | 7,307,987        | 8,114,045           | 9,847,483           | 880,772           | 7,227,666             | 7,603,261             | 7,228,073             | 8,495,223             | 6,990,288             |
| Two years later  |               |                  | 8,639,673           | 9,643,218           | 8,726,221         | 7,135,212             | 7,062,516             | 6,675,377             | 8,048,603             | 6,600,736             |
| Three years later  |               |                  |                     | 10,160,268          | 9,106,960         | 6,722,608             | 6,314,693             | 6,155,249             | 8,023,268             | 6,100,633             |
| Four years later   |               |                  |                     |                     | 9,399,212         | 6,612,751             | 5,805,539             | 5,649,403             | 7,610,736             | 5,578,709             |
| Five years later   |               |                  |                     |                     |                   | 6,623,123             | 5,655,549             | 5,393,525             | 7,506,293             | 5,489,472             |
| Six years later  |               |                  |                     |                     |                   |                       | 5,566,502             | 5,244,258             | 7,356,135             | 5,299,405             |
| Seven years later  |               |                  |                     |                     |                   |                       |                       | 5,181,754             | 7,356,135             | 5,299,070             |
| Eight years later  |               |                  |                     |                     |                   |                       |                       |                       | 7,238,013             | 5,309,818             |
| Nine years later   |               |                  |                     |                     |                   |                       |                       |                       |                       | 5,299,214             |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |               | <b>(192,013)</b> | <b>\$ (260,327)</b> | <b>\$ (433,601)</b> | <b>\$ 199,212</b> | <b>\$ (1,576,877)</b> | <b>\$ (2,783,498)</b> | <b>\$ (2,818,246)</b> | <b>\$ (1,036,987)</b> | <b>\$ (2,750,786)</b> |

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

| <b>PROPERTY</b>  |               |                 |               |               |               |               |               |               |                |                |
|--|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|  | <b>2022</b>   | <b>2021</b>     | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>    | <b>2013</b>    |
| <b>1. Premiums</b>   |               |                 |               |               |               |               |               |               |                |                |
| Earned   | \$ 11,979,975 | \$ 15,284,957   | \$ 14,597,598 | \$ 13,123,542 | \$ 12,682,673 | \$ 13,110,014 | \$ 12,190,146 | \$ 11,288,076 | \$ 10,875,910  | \$ 10,513,974  |
| Ceded  | 9,173,071     | 6,962,214       | 6,885,035     | 6,302,542     | 5,817,904     | 6,025,635     | 5,658,780     | 5,175,746     | 5,282,784      | 4,375,017      |
| Net earned   | 2,806,904     | 8,322,743       | 7,712,563     | 6,821,000     | 6,864,769     | 7,084,379     | 6,531,366     | 6,112,330     | 5,593,126      | 6,138,957      |
| <b>2. Initial estimated total incurred losses</b>                              |               |                 |               |               |               |               |               |               |                |                |
| Incurred   | \$ 8,320,894  | \$ 4,300,000    | \$ 15,460,000 | \$ 5,731,843  | \$ 6,090,757  | \$ 6,967,328  | \$ 3,250,000  | \$ 6,900,000  | \$ 5,156,809   | \$ 4,000,000   |
| Ceded  | 145,463       | -               | 9,710,000     | -             | 690,757       | 967,328       | -             | 1,900,000     | 406,809        | -              |
| Net incurred   | 8,175,431     | 4,300,000       | 5,750,000     | 5,731,843     | 5,400,000     | 6,000,000     | 3,250,000     | 5,000,000     | 4,750,000      | 4,000,000      |
| <b>3. Paid losses (cumulative)</b>   |               |                 |               |               |               |               |               |               |                |                |
| Policy year  | \$ 3,441,222  | \$ 2,427,492    | \$ 3,659,094  | \$ 3,860,418  | \$ 3,556,058  | \$ 2,536,821  | \$ 1,665,250  | \$ 2,160,800  | \$ 2,336,477   | \$ 1,288,965   |
| One year later   |               | 3,856,724       | 6,440,007     | 4,917,287     | 4,774,833     | 4,751,780     | 2,469,904     | 4,841,981     | 2,889,530      | 1,877,488      |
| Two years later  |               |                 | 6,480,011     | 4,975,723     | 4,877,479     | 5,097,805     | 2,510,581     | 4,753,551     | 3,113,992      | 1,878,939      |
| Three years later  |               |                 |               | 4,911,079     | 4,844,126     | 5,063,690     | 2,569,111     | 4,742,610     | 3,045,903      | 1,859,033      |
| Four years later   |               |                 |               |               | 4,840,006     | 5,065,918     | 2,569,374     | 4,739,694     | 3,034,232      | 1,854,863      |
| Five years later   |               |                 |               |               |               | 5,066,518     | 2,574,799     | 4,739,164     | 3,034,232      | 1,845,063      |
| Six years later  |               |                 |               |               |               |               | 2,564,799     | 4,738,358     | 3,034,232      | 1,845,063      |
| Seven years later  |               |                 |               |               |               |               |               | 4,738,358     | 3,034,232      | 1,845,063      |
| Eight years later  |               |                 |               |               |               |               |               |               | 3,034,232      | 1,845,063      |
| Nine years later   |               |                 |               |               |               |               |               |               |                | 1,845,063      |
| <b>4. Re-estimated ceded losses</b>  | \$ 145,463    | \$ 3,654,537    | \$ 11,435,585 | \$ -          | \$ 1,237,372  | \$ 1,136,652  | \$ -          | \$ 907,744    | \$ 265,553     | \$ -           |
| <b>5. Re-estimated total incurred losses</b>                                   |               |                 |               |               |               |               |               |               |                |                |
| Policy year  | \$ 8,175,431  | \$ 4,300,000    | \$ 5,750,000  | \$ 5,731,843  | \$ 5,400,000  | \$ 6,000,000  | \$ 3,250,000  | \$ 5,000,000  | \$ 4,750,000   | \$ 4,000,000   |
| One year later   |               | 4,204,209       | 6,910,381     | 5,350,000     | 5,114,167     | 5,400,000     | 3,000,000     | 5,000,000     | 3,750,000      | 2,500,000      |
| Two years later  |               |                 | 6,651,087     | 5,104,050     | 4,996,317     | 5,211,475     | 2,700,000     | 4,850,000     | 3,250,000      | 2,250,000      |
| Three years later  |               |                 |               | 4,965,228     | 4,883,456     | 5,082,453     | 2,579,795     | 4,800,000     | 3,100,000      | 2,000,000      |
| Four years later   |               |                 |               |               | 4,852,603     | 5,081,072     | 2,569,375     | 4,739,699     | 3,050,000      | 1,900,000      |
| Five years later   |               |                 |               |               |               | 5,125,000     | 2,580,612     | 4,739,167     | 3,034,232      | 1,845,063      |
| Six years later  |               |                 |               |               |               |               | 2,564,799     | 4,740,556     | 3,034,232      | 1,845,063      |
| Seven years later  |               |                 |               |               |               |               |               | 4,738,358     | 3,034,232      | 1,845,063      |
| Eight years later  |               |                 |               |               |               |               |               |               | 3,034,232      | 1,845,063      |
| Nine years later   |               |                 |               |               |               |               |               |               |                | 1,845,063      |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |               | <b>(95,791)</b> | \$ 901,087    | \$ (766,615)  | \$ (547,397)  | \$ (875,000)  | \$ (685,201)  | \$ (261,642)  | \$ (1,715,768) | \$ (2,154,937) |

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

| <b>BOILER &amp; MACHINERY</b>  |             |                 |                     |                    |                     |                 |                    |                    |                  |                  |
|--|-------------|-----------------|---------------------|--------------------|---------------------|-----------------|--------------------|--------------------|------------------|------------------|
|  | <b>2022</b> | <b>2021</b>     | <b>2020</b>         | <b>2019</b>        | <b>2018</b>         | <b>2017</b>     | <b>2016</b>        | <b>2015</b>        | <b>2014</b>      | <b>2013</b>      |
| <b>1. Premiums</b>   |             |                 |                     |                    |                     |                 |                    |                    |                  |                  |
| Earned   | \$ 477,952  | \$ 1,134,271    | \$ 998,235          | \$ 911,528         | \$ 884,471          | \$ 913,712      | \$ 867,745         | \$ 811,366         | \$ 771,354       | \$ 730,566       |
| Ceded  |             |                 | 424,681             | 381,030            | 350,559             | 385,867         | 356,676            | 260,629            | 257,559          | 185,574          |
| Net earned   | 477,952     | 1,134,271       | 573,554             | 530,498            | 533,912             | 527,845         | 511,069            | 550,737            | 513,795          | 544,992          |
| <b>2. Initial estimated total incurred losses</b>                              |             |                 |                     |                    |                     |                 |                    |                    |                  |                  |
| Incurred   | \$ 258,568  | \$ 300,000      | \$ 467,000          | \$ 517,000         | \$ 515,584          | \$ 125,000      | \$ 150,000         | \$ 300,000         | \$ 1,168,025     | \$ 175,000       |
| Ceded  | -           | -               | 17,000              | 17,000             | 115,584             | -               | -                  | -                  | 918,025          | -                |
| Net incurred   | 258,568     | 300,000         | 450,000             | 500,000            | 400,000             | 125,000         | 150,000            | 300,000            | 250,000          | 175,000          |
| <b>3. Paid losses (cumulative)</b>   |             |                 |                     |                    |                     |                 |                    |                    |                  |                  |
| Policy year  | \$ 98,356   | \$ 170,476      | \$ 145,626          | \$ 208,386         | \$ 176,299          | \$ 2,561        | \$ 33,016          | \$ 188,147         | \$ 141,360       | \$ 80,497        |
| One year later   |             | 270,476         | 317,055             | 395,960            | 256,305             | 129,845         | 133,015            | 281,962            | 219,834          | 196,820          |
| Two years later  |             |                 | 318,055             | 437,127            | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Three years later  |             |                 |                     | 437,127            | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Four years later   |             |                 |                     |                    | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Five years later   |             |                 |                     |                    |                     | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Six years later  |             |                 |                     |                    |                     |                 | 133,015            | 281,962            | 312,763          | 196,320          |
| Seven years later  |             |                 |                     |                    |                     |                 |                    | 281,962            | 312,763          | 196,320          |
| Eight years later  |             |                 |                     |                    |                     |                 |                    |                    | 312,763          | 196,320          |
| Nine years later   |             |                 |                     |                    |                     |                 |                    |                    |                  | 196,320          |
| <b>4. Re-estimated ceded losses</b>  | \$ -        | \$ 32,000       | \$ -                | \$ -               | \$ 115,584          | \$ -            | \$ 912,316         | \$ -               | \$ 782,831       | \$ 153,667       |
| <b>5. Re-estimated total incurred losses</b>                                   |             |                 |                     |                    |                     |                 |                    |                    |                  |                  |
| Policy year  | \$ 258,568  | \$ 300,000      | \$ 450,000          | \$ 500,000         | \$ 400,000          | \$ 125,000      | \$ 150,000         | \$ 300,000         | \$ 250,000       | \$ 175,000       |
| One year later   |             | 281,134         | 317,055             | 395,961            | 256,305             | 129,845         | 133,680            | 300,000            | 225,000          | 225,000          |
| Two years later  |             |                 | 317,055             | 437,127            | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Three years later  |             |                 |                     | 437,127            | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Four years later   |             |                 |                     |                    | 256,305             | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Five years later   |             |                 |                     |                    |                     | 129,845         | 133,015            | 281,962            | 312,763          | 196,320          |
| Six years later  |             |                 |                     |                    |                     |                 | 133,015            | 281,962            | 312,763          | 196,320          |
| Seven years later  |             |                 |                     |                    |                     |                 |                    | 281,962            | 312,763          | 196,320          |
| Eight years later  |             |                 |                     |                    |                     |                 |                    |                    | 312,763          | 196,320          |
| Nine years later   |             |                 |                     |                    |                     |                 |                    |                    |                  | 196,320          |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |             | <b>(18,866)</b> | <b>\$ (132,945)</b> | <b>\$ (62,873)</b> | <b>\$ (143,695)</b> | <b>\$ 4,845</b> | <b>\$ (16,985)</b> | <b>\$ (18,038)</b> | <b>\$ 62,763</b> | <b>\$ 21,320</b> |

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

| <b>FIDELITY &amp; CRIME</b>  |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
|--|-------------|-----------------|---------------------|---------------------|---------------------|------------------|------------------|--------------------|--------------------|---------------------|
|  | <b>2022</b> | <b>2021</b>     | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>      | <b>2016</b>      | <b>2015</b>        | <b>2014</b>        | <b>2013</b>         |
| <b>1. Premiums</b>   |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
| Earned   | \$ 132,329  | \$ 341,109      | \$ 295,818          | \$ 279,315          | \$ 276,779          | \$ 297,756       | \$ 300,405       | \$ 299,304         | \$ 298,819         | \$ 301,739          |
| Ceded  |             |                 | -                   | -                   | -                   | -                | -                | -                  | 44,828             | 41,608              |
| Net earned   | 132,329     | 341,109         | 295,818             | 279,315             | 276,779             | 297,756          | 300,405          | 299,304            | 253,991            | 260,131             |
| <b>2. Initial estimated total incurred losses</b>                              |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
| Incurred   | \$ 150,000  | \$ 100,000      | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 100,000       | \$ 100,000       | \$ 100,000         | \$ 75,000          | \$ 175,000          |
| Ceded  |             | -               | -                   | -                   | -                   | -                | -                | -                  | -                  | -                   |
| Net incurred   | 150,000     | 100,000         | 150,000             | 150,000             | 150,000             | 100,000          | 100,000          | 100,000            | 75,000             | 175,000             |
| <b>3. Paid losses (cumulative)</b>   |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
| Policy year  |             | \$ -            | \$ -                | \$ 3,126            | \$ -                | \$ -             | \$ 2,145         | \$ 5,422           | \$ -               | \$ 25,000           |
| One year later   |             |                 | 22,242              | 3,126               | -                   | 118,703          | 190,911          | 89,198             | -                  | 25,000              |
| Two years later  |             |                 |                     | 3,126               | -                   | 121,736          | 190,911          | 88,801             | 6,251              | 27,044              |
| Three years later  |             |                 |                     |                     | 1,163               | 121,736          | 190,911          | 94,241             | 6,251              | 36,208              |
| Four years later   |             |                 |                     |                     |                     | 121,736          | 190,911          | 98,328             | -                  | 40,597              |
| Five years later   |             |                 |                     |                     |                     |                  | 190,911          | 97,428             | -                  | 55,332              |
| Six years later  |             |                 |                     |                     |                     |                  |                  | 94,516             | -                  | 55,332              |
| Seven years later  |             |                 |                     |                     |                     |                  |                  |                    | -                  | 55,332              |
| Eight years later  |             |                 |                     |                     |                     |                  |                  |                    |                    | 55,332              |
| Nine years later   |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
| <b>4. Re-estimated ceded losses</b>  |             | \$ -            | \$ -                | \$ -                | \$ -                | \$ -             | \$ -             | \$ -               | \$ -               | \$ -                |
| <b>5. Re-estimated total incurred losses</b>                                   |             |                 |                     |                     |                     |                  |                  |                    |                    |                     |
| Policy year  | \$ 150,000  | \$ 100,000      | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 100,000       | \$ 100,000       | \$ 100,000         | \$ 75,000          | \$ 175,000          |
| One year later   |             | 25,000          | 75,000              | 100,000             | 50,000              | 175,000          | 250,000          | 125,000            | 125,000            | 150,000             |
| Two years later  |             |                 | 25,000              | 3,126               | -                   | 150,000          | 225,000          | 125,000            | 50,000             | 150,000             |
| Three years later  |             |                 |                     | 3,126               | 1,163               | 121,736          | 190,911          | 125,000            | 50,000             | 150,000             |
| Four years later   |             |                 |                     |                     | 1,163               | 121,736          | 190,911          | 125,000            | -                  | 125,000             |
| Five years later   |             |                 |                     |                     |                     | 121,736          | 190,911          | 125,000            | -                  | 75,000              |
| Six years later  |             |                 |                     |                     |                     |                  | 190,911          | 94,517             | -                  | 55,333              |
| Seven years later  |             |                 |                     |                     |                     |                  |                  | 89,553             | -                  | 55,332              |
| Eight years later  |             |                 |                     |                     |                     |                  |                  |                    | -                  | 55,332              |
| Nine years later   |             |                 |                     |                     |                     |                  |                  |                    |                    | 55,332              |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |             | <b>(75,000)</b> | <b>\$ (125,000)</b> | <b>\$ (146,874)</b> | <b>\$ (148,837)</b> | <b>\$ 21,736</b> | <b>\$ 90,911</b> | <b>\$ (10,447)</b> | <b>\$ (75,000)</b> | <b>\$ (119,668)</b> |

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

| <b>CYBER</b>   |    | <b>2022</b> | <b>2021</b> | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> |
|--|----|-------------|-------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>1. Premiums</b>   |    |             |             |              |              |              |             |             |             |             |             |
| Earned   | \$ | 317,089     | \$ 748,483  | \$ 436,175   | \$ 369,560   | \$ 318,772   |             |             |             |             |             |
| Ceded  |    | 18,033      | 120,514     | 85,866       | 85,136       | 68,712       |             |             |             |             |             |
| Net earned   |    | 299,056     | 627,969     | 350,309      | 284,424      | 250,060      |             |             |             |             |             |
| <b>2. Initial estimated total incurred losses</b>                              |    |             |             |              |              |              |             |             |             |             |             |
| Incurred   | \$ | 968,867     | \$ -        | \$ 350,000   | \$ -         | \$ -         |             |             |             |             |             |
| Ceded  |    | 7,399       | -           | -            | -            | -            |             |             |             |             |             |
| Net incurred   |    | 961,468     | -           | 350,000      | 200,000      | 150,000      |             |             |             |             |             |
| <b>3. Paid losses (cumulative)</b>   |    |             |             |              |              |              |             |             |             |             |             |
| Policy year  | \$ | 225,980     | \$ -        | \$ 65,903    | \$ 19,708    | \$ 1,971     |             |             |             |             |             |
| One year later   |    |             | -           | 82,806       | 92,286       | 39,924       |             |             |             |             |             |
| Two years later  |    |             |             | 82,806       | 64,763       | 61,971       |             |             |             |             |             |
| Three years later  |    |             |             |              | 64,763       | 21,971       |             |             |             |             |             |
| Four years later   |    |             |             |              |              | 21,971       |             |             |             |             |             |
| Five years later   |    |             |             |              |              |              |             |             |             |             |             |
| Six years later  |    |             |             |              |              |              |             |             |             |             |             |
| Seven years later  |    |             |             |              |              |              |             |             |             |             |             |
| Eight years later  |    |             |             |              |              |              |             |             |             |             |             |
| Nine years later   |    |             |             |              |              |              |             |             |             |             |             |
| <b>4. Re-estimated ceded losses</b>  | \$ | 7,399       | \$ -        | \$ 25,000    | \$ 42,927    | \$ 71,668    |             |             |             |             |             |
| <b>5. Re-estimated total incurred losses</b>                                   |    |             |             |              |              |              |             |             |             |             |             |
| Policy year  | \$ | 961,468     | \$ -        | \$ 350,000   | \$ 200,000   | \$ 150,000   |             |             |             |             |             |
| One year later   |    |             | -           | 150,000      | 200,000      | 150,000      |             |             |             |             |             |
| Two years later  |    |             |             | 100,000      | 100,000      | 75,000       |             |             |             |             |             |
| Three years later  |    |             |             |              | 100,000      | 25,000       |             |             |             |             |             |
| Four years later   |    |             |             |              |              | 21,971       |             |             |             |             |             |
| Five years later   |    |             |             |              |              |              |             |             |             |             |             |
| Six years later  |    |             |             |              |              |              |             |             |             |             |             |
| Seven years later  |    |             |             |              |              |              |             |             |             |             |             |
| Eight years later  |    |             |             |              |              |              |             |             |             |             |             |
| Nine years later   |    |             |             |              |              |              |             |             |             |             |             |
| <b>6. Increase (decrease) in total incurred losses from end of policy year</b> |    |             | \$ -        | \$ (250,000) | \$ (100,000) | \$ (128,029) | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |

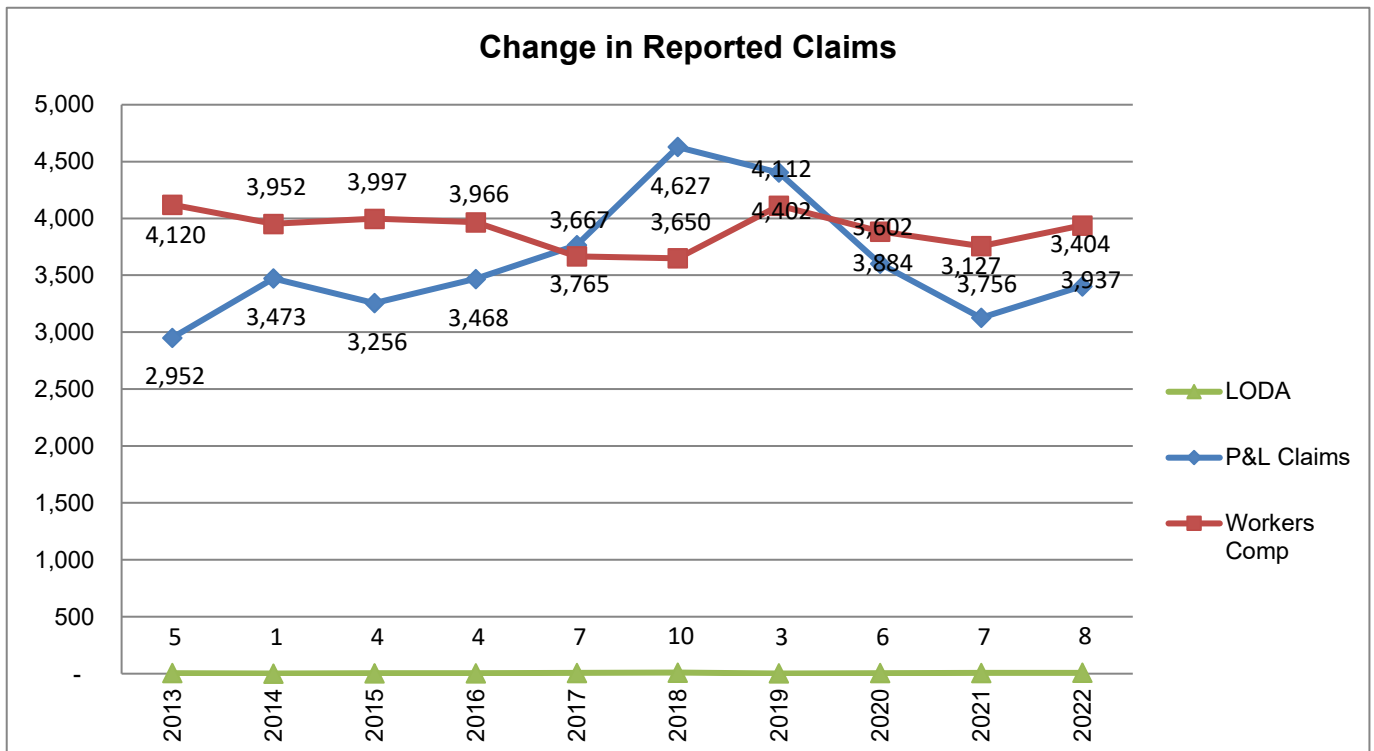
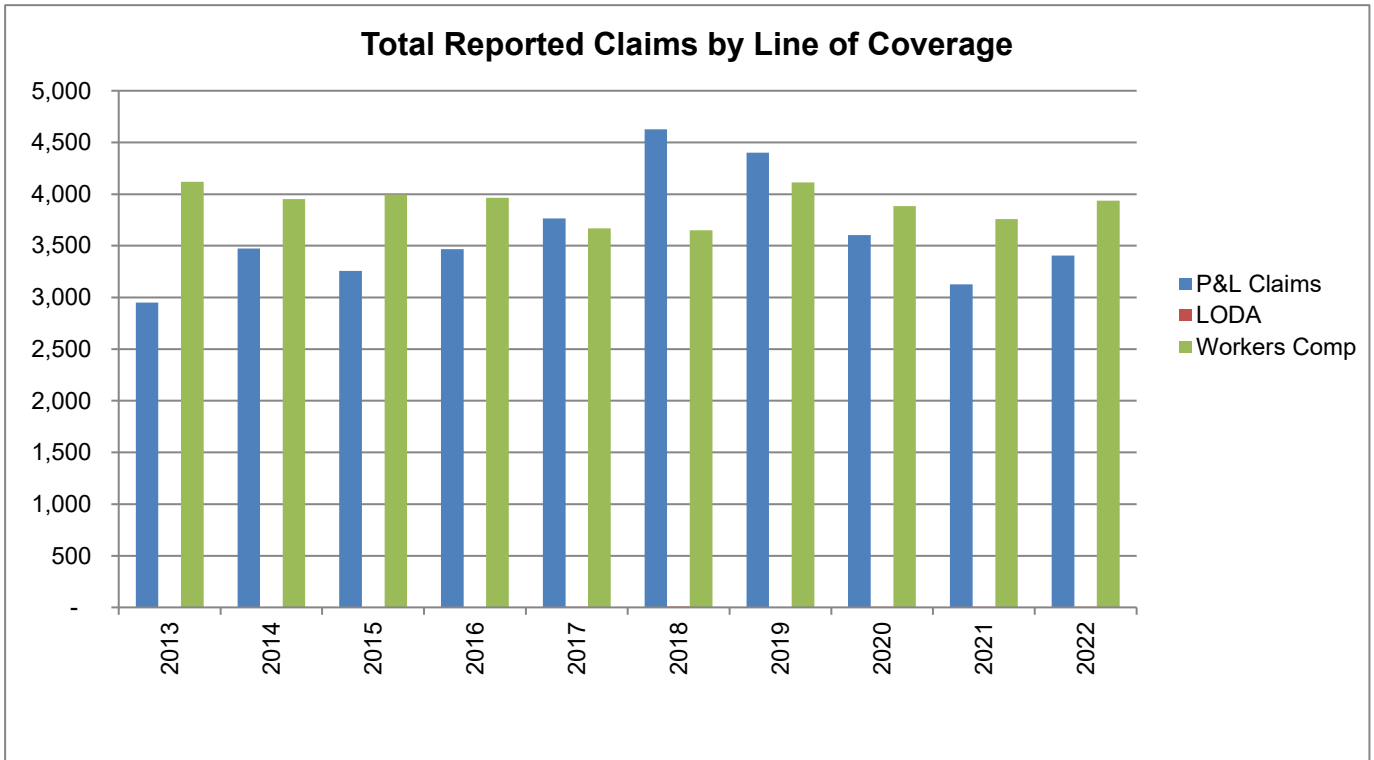
**Virginia Risk Sharing Association and Subsidiaries**  
**Reported Claims Analysis by Line of Coverage**  
**For Policy Years Ended June 30,**

| Line of Coverage       | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Auto Liability         | 868         | 1,039       | 1,047       | 1,062       | 1,052       | 1,360       | 1,286       | 898         | 676         | 868         |
| General Liability      | 974         | 1,218       | 956         | 977         | 986         | 1,101       | 1,122       | 873         | 847         | 792         |
| LE & PO                | 118         | 112         | 112         | 132         | 241         | 269         | 161         | 201         | 137         | 43          |
| Auto Physical          | 647         | 754         | 758         | 888         | 984         | 1,352       | 1,271       | 1,136       | 959         | 1,218       |
| Property/Inland Marine | 333         | 342         | 369         | 402         | 488         | 518         | 533         | 462         | 498         | 453         |
| Boiler/Machinery       | 9           | 5           | 8           | 4           | 7           | 14          | 15          | 14          | 8           | 8           |
| Fidelity/Crime         | 3           | 3           | 6           | 3           | 7           | 7           | 3           | 5           | 2           | 2           |
| Cyber                  | -           | -           | -           | -           | -           | 6           | 11          | 13          | -           | 20          |
| LODA                   | 5           | 1           | 4           | 4           | 7           | 10          | 3           | 6           | 7           | 8           |
| Workers Comp           | 4,120       | 3,952       | 3,997       | 3,966       | 3,667       | 3,650       | 4,112       | 3,884       | 3,756       | 3,937       |
| Total Claims Reported  | 7,077       | 7,426       | 7,257       | 7,438       | 7,439       | 8,287       | 8,517       | 7,492       | 6,890       | 7,349       |
| % change               |             | 4.93%       | -2.28%      | 2.49%       | 0.01%       | 11.40%      | 2.78%       | -12.03%     | -8.04%      | 6.66%       |
| overall % change       |             |             |             |             |             |             |             |             |             | 3.84%       |

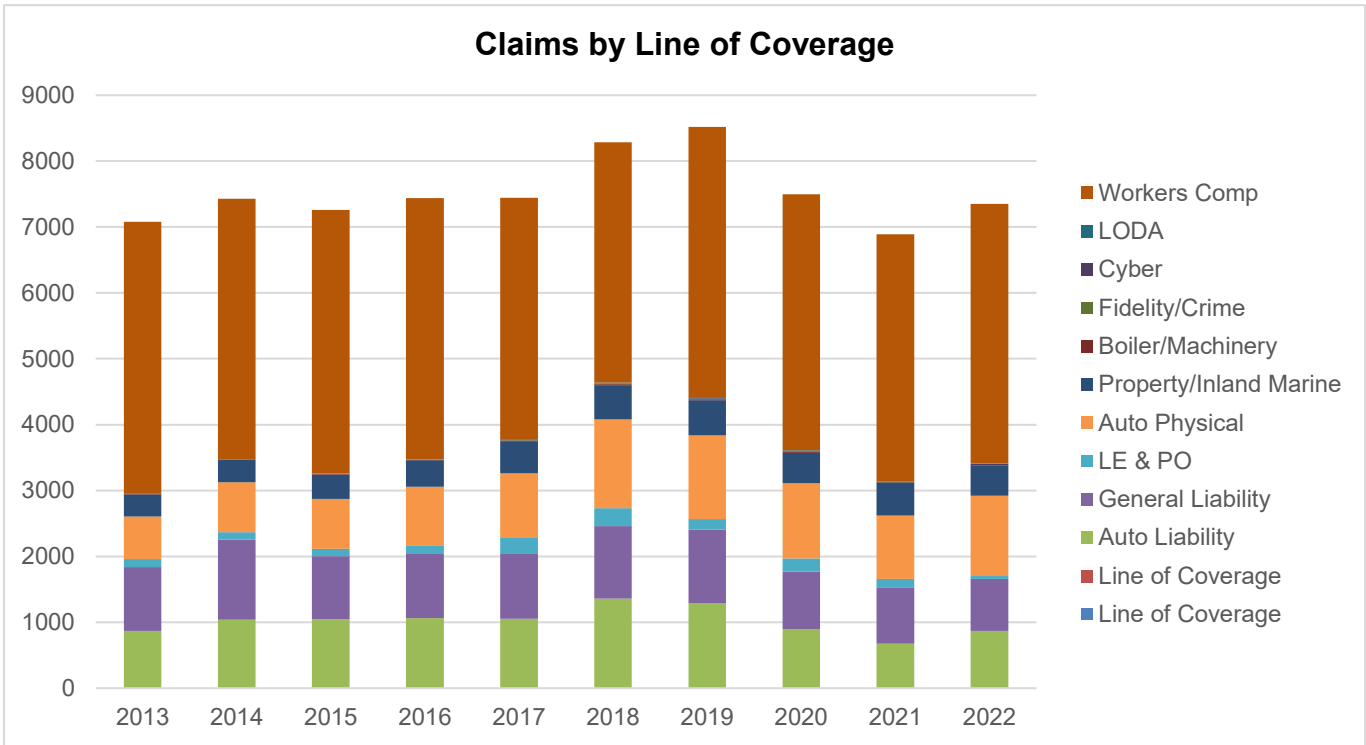
Claims are reported via different methods including online, via the nurse triage service, fax, phone and mail.  
 Claims are associated with the policy year that the occurrence happened in, regardless of when the claim is reported.  
 As a result, claims counts can change for previous policy years.



**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, Continued  
 For Policy Years Ended June 30,**

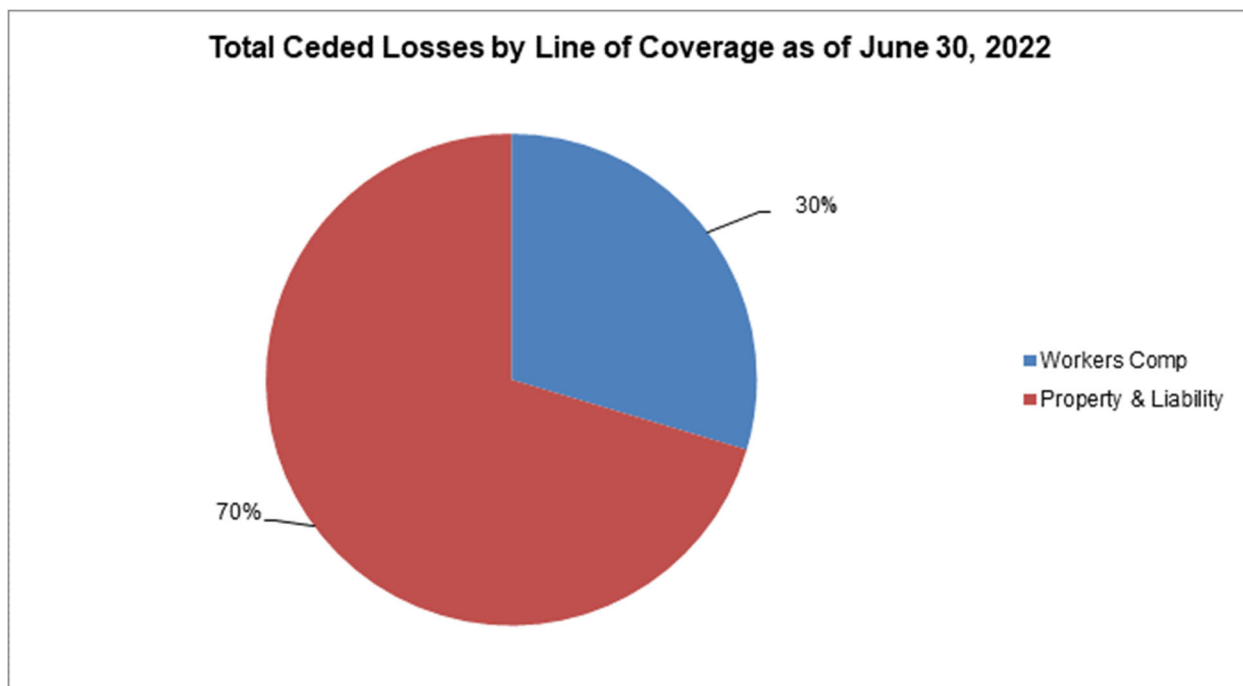
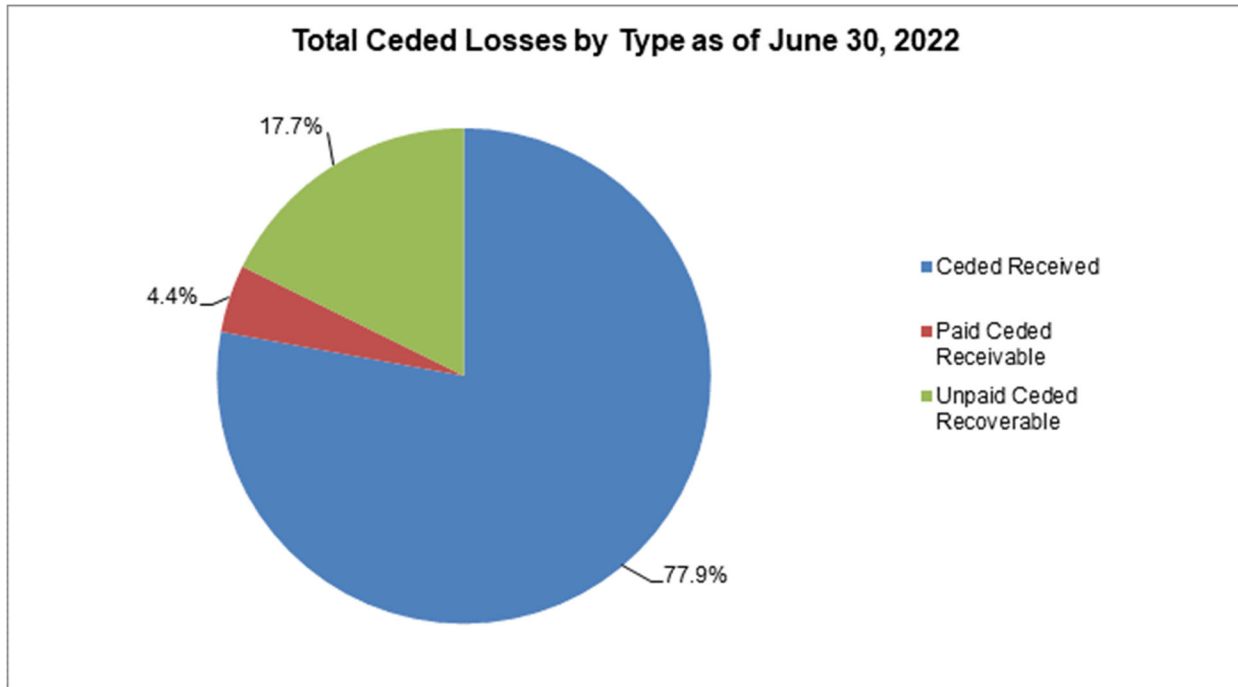


**Virginia Risk Sharing Association and Subsidiaries**  
**Total Ceded Loss Analysis**

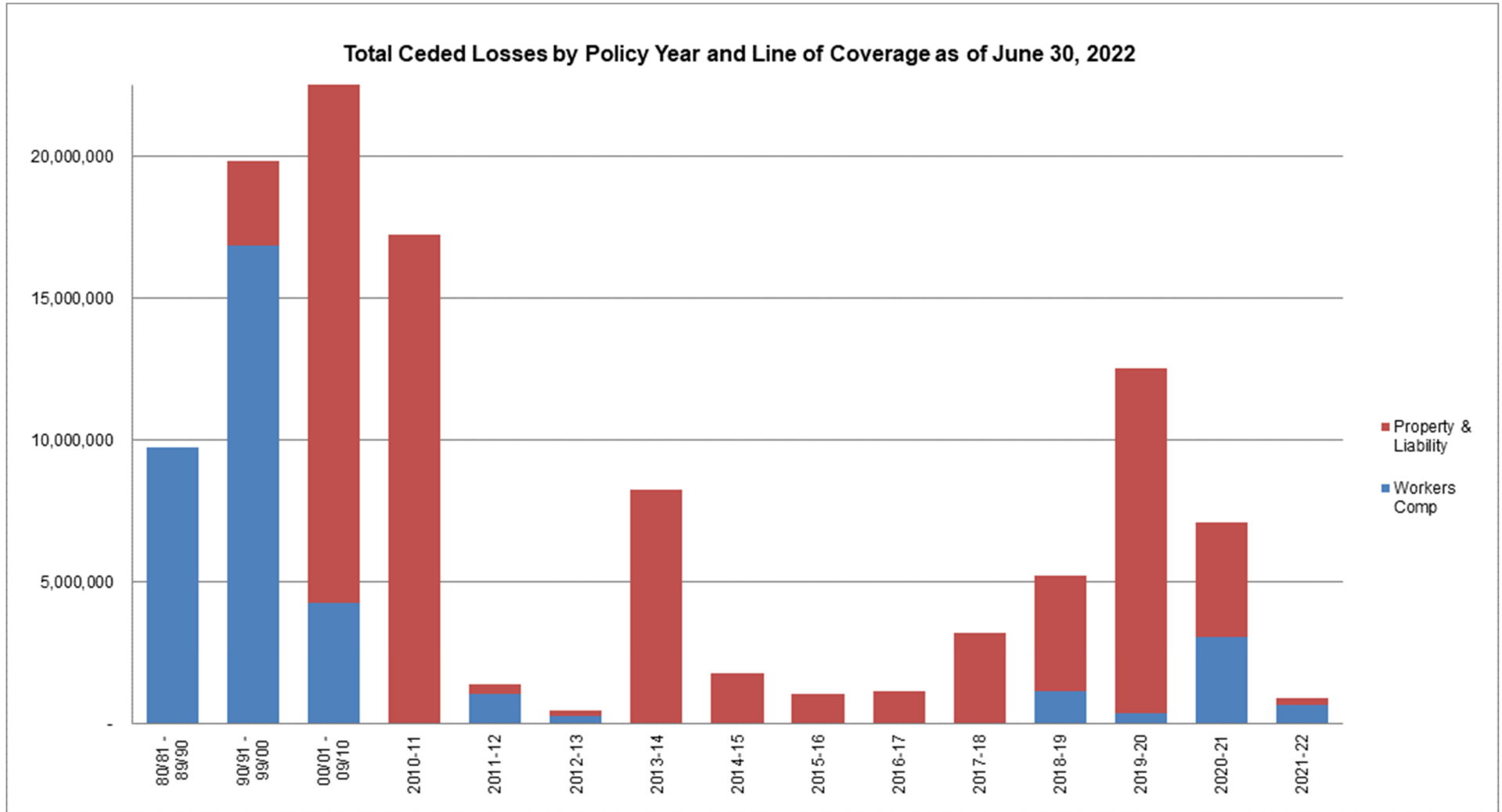
| Policy Year   | Ceded Losses - Workers Comp |                |                       |                          | Ceded Losses - Liability |                |                       |                          | Ceded Losses - Total |                |                       |                          |
|---------------|-----------------------------|----------------|-----------------------|--------------------------|--------------------------|----------------|-----------------------|--------------------------|----------------------|----------------|-----------------------|--------------------------|
|               | 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 |
| 1980-81       | \$ 228,418                  | \$ 228,418     | \$ -                  | \$ -                     | \$ -                     | \$ -           | \$ -                  | \$ -                     | \$ 228,418           | \$ 228,418     | \$ -                  | \$ -                     |
| 1981-82       | -                           | -              | -                     | -                        | -                        | -              | -                     | -                        | -                    | -              | -                     | -                        |
| 1982-83       | 371,472                     | 276,381        | 6,478                 | 88,613                   | -                        | -              | -                     | -                        | 371,472              | 276,381        | 6,478                 | 88,613                   |
| 1983-84       | 876,753                     | 394,696        | 96,421                | 385,636                  | -                        | -              | -                     | -                        | 876,753              | 394,696        | 96,421                | 385,636                  |
| 1984-85       | 2,080,750                   | 2,064,311      | 1,337                 | 15,102                   | -                        | -              | -                     | -                        | 2,080,750            | 2,064,311      | 1,337                 | 15,102                   |
| 1985-86       | 567,555                     | 453,032        | 33,561                | 80,962                   | -                        | -              | -                     | -                        | 567,555              | 453,032        | 33,561                | 80,962                   |
| 1986-87       | 236,377                     | 180,522        | 18,961                | 36,894                   | -                        | -              | -                     | -                        | 236,377              | 180,522        | 18,961                | 36,894                   |
| 1987-88       | 1,513,814                   | 1,154,219      | 16,754                | 342,841                  | -                        | -              | -                     | -                        | 1,513,814            | 1,154,219      | 16,754                | 342,841                  |
| 1988-89       | 2,082,521                   | 816,206        | 61,839                | 1,204,476                | -                        | -              | -                     | -                        | 2,082,521            | 816,206        | 61,839                | 1,204,476                |
| 1989-90       | 1,812,457                   | 1,710,220      | 578                   | 101,659                  | -                        | -              | -                     | -                        | 1,812,457            | 1,710,220      | 578                   | 101,659                  |
| 80/81 - 89/90 | 9,770,117                   | 7,278,005      | 235,929               | 2,256,183                | -                        | -              | -                     | -                        | 9,770,117            | 7,278,005      | 235,929               | 2,256,183                |
| 1990-91       | 1,244,030                   | 766,132        | -                     | 477,898                  | -                        | -              | -                     | -                        | 1,244,030            | 766,132        | -                     | 477,898                  |
| 1991-92       | 1,089,110                   | 246,965        | 60,597                | 781,548                  | -                        | -              | -                     | -                        | 1,089,110            | 246,965        | 60,597                | 781,548                  |
| 1992-93       | 989,936                     | 803,993        | 3,660                 | 182,283                  | -                        | -              | -                     | -                        | 989,936              | 803,993        | 3,660                 | 182,283                  |
| 1993-94       | 2,041,559                   | 952,785        | 72,117                | 1,016,657                | 681,112                  | 681,112        | -                     | -                        | 2,722,671            | 1,633,897      | 72,117                | 1,016,657                |
| 1994-95       | 751,479                     | 468,844        | 47,662                | 234,973                  | 69,203                   | 69,203         | -                     | -                        | 820,682              | 538,047        | 47,662                | 234,973                  |
| 1995-96       | 1,958,630                   | 656,313        | 122,863               | 1,179,454                | 610,337                  | 610,337        | -                     | -                        | 2,568,967            | 1,266,650      | 122,863               | 1,179,454                |
| 1996-97       | 1,848,452                   | 1,589,533      | 3,438                 | 255,481                  | 281,118                  | 281,118        | -                     | -                        | 2,129,570            | 1,870,651      | 3,438                 | 255,481                  |
| 1997-98       | 856,858                     | 776,957        | 31,588                | 48,313                   | 209,905                  | 209,905        | -                     | -                        | 1,066,763            | 986,862        | 31,588                | 48,313                   |
| 1998-99       | 4,324,272                   | 2,757,775      | 301,534               | 1,264,963                | 374,279                  | 374,279        | -                     | -                        | 4,698,551            | 3,132,054      | 301,534               | 1,264,963                |
| 1999-00       | 1,748,612                   | 448,202        | 99,929                | 1,200,481                | 795,536                  | 795,536        | -                     | -                        | 2,544,148            | 1,243,738      | 99,929                | 1,200,481                |
| 90/91 - 99/00 | 16,852,938                  | 9,467,499      | 743,388               | 6,642,051                | 3,021,488                | 3,021,488      | -                     | -                        | 19,874,426           | 12,488,987     | 743,388               | 6,642,051                |
| 2000-01       | 1,166,261                   | 1,166,261      | -                     | -                        | 2,475,757                | 2,475,757      | -                     | -                        | 3,642,018            | 3,642,018      | -                     | -                        |
| 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       | 1,159,109                   | -              | 66,938                | 1,092,171                | 4,317,382                | 4,317,382      | -                     | -                        | 5,476,491            | 4,317,382      | 66,938                | 1,092,171                |
| 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       | 1,064,975                   | 262,382        | -                     | 802,593                  | 323,524                  | 323,524        | -                     | -                        | 1,388,499            | 585,906        | -                     | 802,593                  |
| 2012-13       | 291,890                     | -              | 65,762                | 226,128                  | 209,480                  | 209,480        | -                     | -                        | 501,370              | 209,480        | 65,762                | 226,128                  |
| 2013-14       | -                           | -              | -                     | -                        | 8,271,578                | 8,271,578      | -                     | -                        | 8,271,578            | 8,271,578      | -                     | -                        |
| 2014-15       | -                           | -              | -                     | -                        | 1,790,972                | 1,790,972      | -                     | -                        | 1,790,972            | 1,790,972      | -                     | -                        |
| 2015-16       | 31,348                      | 31,343         | 5                     | -                        | 1,018,949                | 1,018,949      | -                     | -                        | 1,050,297            | 1,050,292      | 5                     | -                        |
| 2016-17       | -                           | -              | -                     | -                        | 1,136,652                | 978,517        | 1,855                 | 156,280                  | 1,136,652            | 978,517        | 1,855                 | 156,280                  |
| 2017-18       | -                           | -              | -                     | -                        | 3,206,745                | 2,990,978      | 173,946               | 41,821                   | 3,206,745            | 2,990,978      | 173,946               | 41,821                   |
| 2018-19       | 1,130,897                   | -              | -                     | 1,130,897                | 4,107,955                | 1,113,678      | 2,933,853             | 60,424                   | 5,238,852            | 1,113,678      | 2,933,853             | 1,191,321                |
| 2019-20       | 367,000                     | -              | -                     | 367,000                  | 12,156,897               | 10,176,254     | 319,047               | 1,661,596                | 12,523,897           | 10,176,254     | 319,047               | 2,028,596                |
| 2020-21       | 3,095,975                   | -              | 638,890               | 2,457,085                | 3,993,796                | 128,571        | 205,102               | 3,660,123                | 7,089,771            | 128,571        | 843,992               | 6,117,208                |
| 2021-22       | 667,543                     | -              | -                     | 667,543                  | 222,898                  | -              | 222,898               | -                        | 890,441              | -              | 222,898               | 667,543                  |
| Grand Totals: | \$ 37,554,983               | \$ 18,902,344  | \$ 1,750,912          | \$ 16,901,727            | \$ 89,316,543            | \$ 79,879,598  | \$ 3,856,701          | \$ 5,580,244             | \$ 126,871,526       | \$ 98,781,942  | \$ 5,607,613          | \$ 22,481,971            |

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<br>PD<br>WC                                    | General Reinsurance<br>General Reinsurance<br>Employers Reinsurance Corp.   | \$500,000<br>\$50,000<br>\$250,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1987-88      | GL & AL<br>PD<br>WC                                    | General Reinsurance<br>General Reinsurance<br>Employers Reinsurance Corp.   | \$500,000<br>\$500,000<br>\$250,000   | 50/50 on first \$500,000 above limit   |
| 1988-89      | GL & AL<br>PD<br>WC                                    | General Reinsurance<br>General Reinsurance<br>Employers Reinsurance Corp.   | \$500,000<br>\$50,000<br>\$300,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1989-90      | GL & AL<br>PD<br>WC                                    | General Reinsurance<br>General Reinsurance<br>General Reinsurance   | \$1,000,000<br>\$50,000<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1990-91      | GL & AL<br>PD<br>WC                                    | General Reinsurance<br>General Reinsurance<br>General Reinsurance   | \$1,000,000<br>\$50,000<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1991-92      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1992-93      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1993-94      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1994-95      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1995-96      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1996-97      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>General Reinsurance<br>Industrial Risk Mutual<br>General Reinsurance  | 100% reinsured<br>\$1,000,000<br>\$50,000<br>100% reinsured<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$1,000,000 cap  |
| 1997-98      | BM<br>GL & AL<br>PD<br>PR<br>WC                        | Hartford Steam Boiler<br>General Reinsurance<br>Swiss Reinsurance America<br>Swiss Reinsurance America<br>General Reinsurance   | 100% reinsured<br>\$1,000,000<br>\$50,000<br>\$25,000<br>\$400,000  | 50/50 on first \$500,000 above limit<br>\$300,000 annual aggregate   |
| 1998-99      | BM<br>GL & AL<br>PD<br>PR<br>WC<br>XS                  | Hartford Steam Boiler<br>General Reinsurance<br>Swiss Reinsurance America<br>Swiss Reinsurance America<br>General Reinsurance<br>General Reinsurance  | 100% reinsured<br>\$500,000<br>\$50,000<br>\$25,000<br>\$400,000<br>100% reinsured                                | 50/50 on first \$500,000 above limit<br>\$300,000 annual aggregate   |
| 1999-00      | BM<br>CC<br>GL & AL<br>LE & PO<br>PD<br>PR<br>WC<br>XS | Hartford Steam Boiler<br>Fidelity & Deposit Company of Maryland<br>General Reinsurance<br>General Reinsurance<br>Swiss Reinsurance America<br>Swiss Reinsurance America<br>General Reinsurance<br>General Reinsurance | 100% reinsured<br>100% reinsured<br>\$500,000<br>\$500,000<br>\$50,000<br>\$25,000<br>\$400,000<br>100% reinsured | 50/50 on first \$500,000 above limit<br>50/50 on first \$500,000 above limit<br>\$300,000 annual aggregate |
| 2000-01      | BM, CC<br>GL & AL<br>LE & PO<br>PD<br>PR<br>WC<br>XS   | Swiss Reinsurance America<br>General Reinsurance<br>General Reinsurance<br>Swiss Reinsurance America<br>Swiss Reinsurance America<br>General Reinsurance<br>General Reinsurance                                       | \$25,000<br>\$500,000<br>\$500,000<br>\$50,000<br>\$50,000<br>\$400,000<br>100% reinsured                         | 50/50 on first \$500,000 above limit<br>50/50 on first \$500,000 above limit<br>\$500,000 annual aggregate |

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

| Policy Years | Line of Coverage               | Reinsurance Carrier                  | Retention Limits                       | Quota Share or Limit Cap                             |
|--------------|--------------------------------|--------------------------------------|--|--|
| 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% reinsured                         | 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  |
| 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                           |  |

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

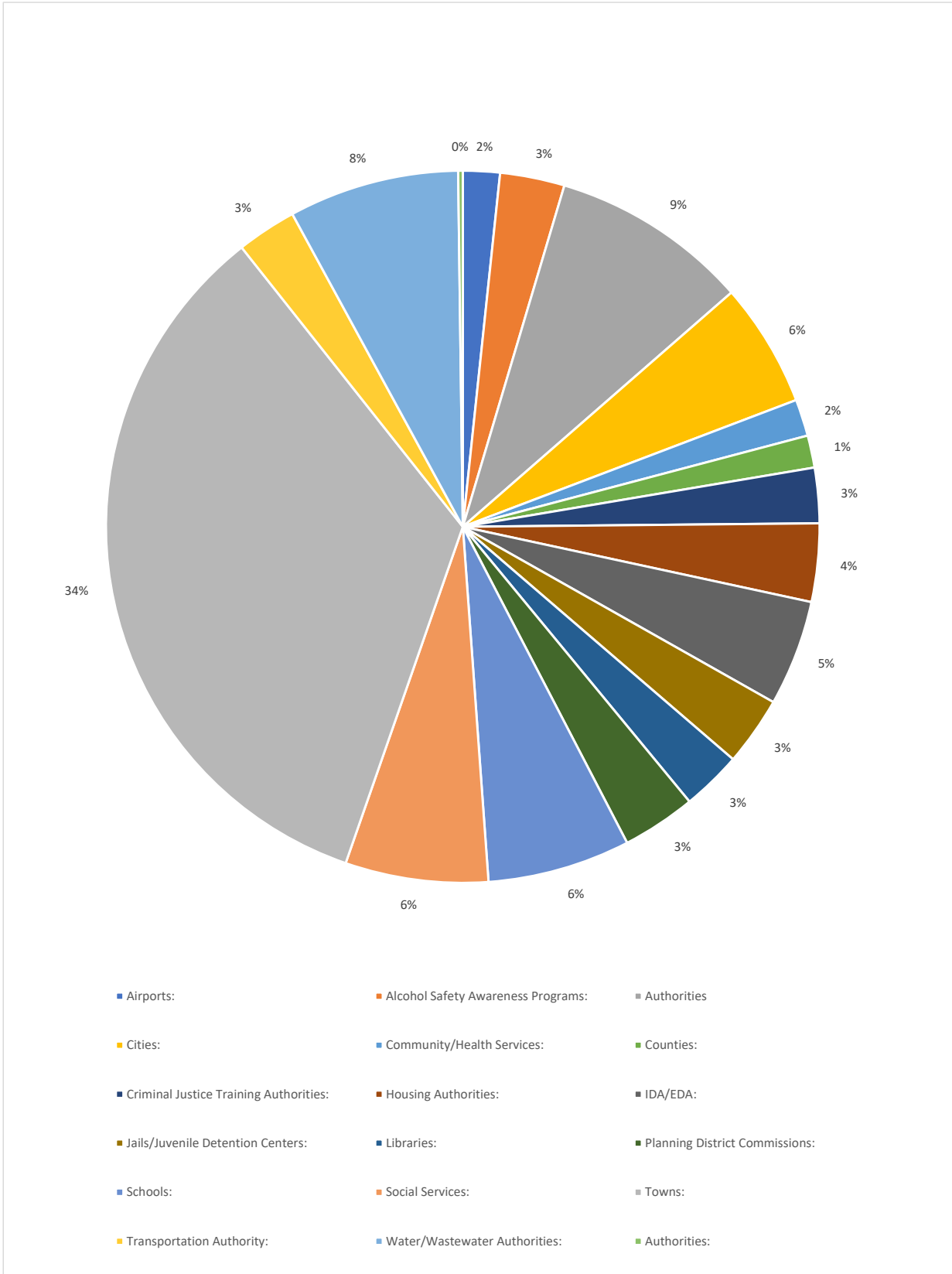
| <u>Policy Years</u> | <u>Line of Coverage</u> | <u>Reinsurance Carrier</u>         | <u>Retention Limits</u>     | <u>Quota Share or Limit Cap</u>                     |
|---------------------|-------------------------|------------------------------------|-----------------------------|---|
| 2009-10             | 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  |
| 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  |



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

| Policy Years                   | Line of Coverage                           | Reinsurance Carrier  | Retention Limits   | Quota Share or Limit Cap  |
|--------------------------------|--|--|--|---|
| 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<br>PR flood                   | Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)   | \$1,000,000<br>\$500,000   | \$200M limit<br>\$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<br>PR flood                   | Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)   | \$1,000,000<br>\$500,000   | \$200M limit<br>\$100M limit  |
|                                | 2018-19                                    | GL, AL, PO, LE   | N/A - level self-insured   | \$1,000,000   |
| 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  |
| WC                             |  | Midwest Employers Casualty Company   | \$750,000  | 100% excess of \$1.5M   |
| XS                             |  | Chubb (ACE)  | \$1,000,000  | 90% excess of \$1M to limit of \$10M  |
| PD                             |  | Lexington Insurance Co (PEPIP)   | \$150,000  | includes mobile equipment   |
| PR<br>PR windstorm<br>PR flood |  | Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)  | \$750,000<br>\$1,000,000<br>\$500,000                            | \$1B limit<br>\$200M limit<br>\$100M limit  |
| 2019-20                        | GL, AL, PO, LE                             | N/A - level self-insured   | \$1,000,000  | \$10M limit   |
|                                | 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   | C  | \$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<br>PR<br>PR windstorm<br>PR flood       | Lexington Insurance Co (PEPIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)                | \$150,000<br>\$750,000<br>\$1,000,000<br>\$500,000               | includes mobile equipment<br>\$1B limit<br>\$200M limit<br>\$100M limit   |
| 2020-21                        | GL, AL, PO, LE                             | N/A - level self-insured   | \$1,000,000  | \$10M limit   |
|                                | Pollution                                  | Chubb Environmental  | N/A  | \$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)  | N/A  | \$2M limit, \$25M 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<br>PR<br>PR windstorm<br>PR flood       | Lexington Insurance Co (PEPIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)                | \$150,000<br>\$1,000,000<br>\$1,000,000<br>\$1,000,000           | includes mobile equipment<br>\$500M limit<br>\$200M limit<br>\$100M limit   |
| 2021-22                        | GL, AL, PO, LE                             | N/A - level self-insured   | \$1,000,000  | Varies by member up to \$10M  |
|                                | Pollution                                  | Ironshore Environmental Insurance  | N/A  | \$1M pollution condition subject to \$250,000 deductible; \$2M agg  |
|                                | 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)                                 | Virginia Interlocal Risk Sharing Assoc (captive)   | N/A  | Up to \$6M aggregate losses   |
|                                | CL (Cyber)                                 | Chubb (ACE)  | \$6M   | 100% excess \$6M  |
|                                | WC   | Virginia interlocal Risk Sharing Assoc (captive)   | \$750,000  | 100% excess of \$750,000 up to \$750,000 with \$1.7M agg.   |
|                                | 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<br>PD<br>PR<br>PR windstorm<br>PR flood | Chubb (ACE)<br>Lexington Insurance Co (PEPIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP)<br>Alliant Property Insurance Program (APIP) | \$0<br>\$1M/150,000<br>\$1,000,000<br>\$1,000,000<br>\$1,000,000 | 80% excess of \$1M to limit of \$10M<br>includes mobile equipment<br>\$500M limit<br>\$200M limit<br>\$100M limit |

**Virginia Risk Sharing Association and Subsidiaries  
2021 – 2022 Membership by Type**





**COMPLIANCE SECTION**

For the Period July 1, 2021 – June 30, 2022

- Independent Auditor's Report 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*

**INDEPENDENT AUDITOR'S REPORT 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

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, 2022, 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 28, 2022.

**Report on 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.

## **Report on 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 long horizontal flourish extending to the right.

December 28, 2022  
Glen Allen, Virginia

**Virginia Risk Sharing Association**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2022 and 2021**



**VRSA**

Virginia Risk Sharing Association

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*More Than Insurance*

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