



VRSA

Virginia Risk Sharing Association

More Than Insurance



**Virginia Risk Sharing Association and Subsidiaries
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2021 and 2020**



Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

Prepared by:

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

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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, 2020 – June 30, 2021

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



December 31, 2021

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, 2021.

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, 2021. 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. The last decade has been tough for local governments from a financial standpoint. Local government budgets have been constrained for several years due to a variety of factors including loss of tax revenue as a result of Covid 19, unfunded mandates from both the state and federal governments and competing demands from diverse constituencies.

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

The Pool expects the budgetary climate for members to remain relatively stable for the next few year 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 did experience some volatility because of Covid 19 as reinsurers sought to limit their exposure to pandemic related claims. While

the market seems to have normalized some, it remains reactionary, and the Pool is subject to rate increases and coverage restrictions that reinsurers impose.

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

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

Currently the Pool utilizes the captive for a portion of the workers compensation, auto liability, general liability, public official's liability, and law enforcement liability reinsurance. The Pool may expand both the amounts of reinsurance and lines of coverage placed through the captive in the future. As a wholly owned subsidiary of the Pool, VIRSA RE's financial results are consolidated in the Pool's 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 a number of years. The majority of this portfolio is in fixed interest rate securities. Interest rates have been at historically low levels for several years. Low rates hinder the Pool's ability to offset underwriting losses with interest income. Fortunately, the Pool has had relatively good underwriting results over the last few years and has not had to rely on interest income to supplement revenues. Over time however low interest rates could lead to the Pool relying more heavily on underwriting revenues which could put upward pressure on underwriting rates.

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

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, 2020. 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 "P. Steven Craig", with a stylized flourish at the end.

P. Steven Craig
Managing Director
Virginia Risk Sharing Association



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Virginia Risk Sharing Association

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

**Virginia Risk Sharing Association
Members Supervisory Board
2020-21**

Chair

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

Vice Chair

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

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

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Manager
Town of Herndon
777 Lynn Street
Herndon, VA 20170-4602
703-787-7368
town.manager@herndon-va.gov

Rodney Hathaway
Administrator
New Kent County
12007 Courthouse Circle
New Kent, VA 231234
804-966-9696
rahathaway@newkent-va.us

Dr. Walter R. Clemons
Superintendent
Gloucester County Public Schools
6099 T.C. Walker Road
Gloucester, VA 23061
804-693-5304
wclemons@gc.k12.va.us

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

Eric Campbell
Manager
City of Harrisonburg
409 S. Main Street
Harrisonburg, VA 22801
540-432-7701
ericc@ci.harrisonburg.va.us

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

2020 - 2021 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 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
Craigs ville, 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
Cumberland Plateau Reg. Housing Auth.
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

2020 - 2021 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
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
Mineral, Town of

2020 - 2021 VRSA MEMBERSHIP, continued

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
Nottoway County
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

2020 - 2021 VRSA MEMBERSHIP, continued

South Hill, Town of
Southeastern PSA
Southeastern Virginia ASAP
Southern Virginia Recreation Facilities Authority
Southside PDC
Southside Regional Juvenile Group Home
Southside Virginia ASAP
Southwest Virginia Criminal Justice Training Acad
Southwest Virginia Regional Recreation Authority
Southwestern VA Transit Management Company
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
Watkins Centre CDA
Waverly, Town of
Waynesboro Public Schools
Waynesboro, City of
West Point, Town of
Western Tidewater CSB
Western Tidewater Regional Jail Authority
Western Tidewater Water Authority
Western Virginia Regional IFA
Western Virginia Water Authority
Westmoreland County
White Stone, Town of
Williamsburg EDA
Williamsburg Redevelopment & Housing Authority
Williamsburg Regional Library
Williamsburg, City of
Winchester, City of
Windsor, Town of
Wired Road Authority
Wise, Town of
Woodstock, Town of
Wytheville, Town of
York County
York County Schools
York-Poquoson Social Services

Virginia Risk Sharing Association
Staff Listing
July 1, 2020 – June 30, 2021

Administration

Steve Craig 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

Member Services

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

Risk Services

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

Underwriting

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

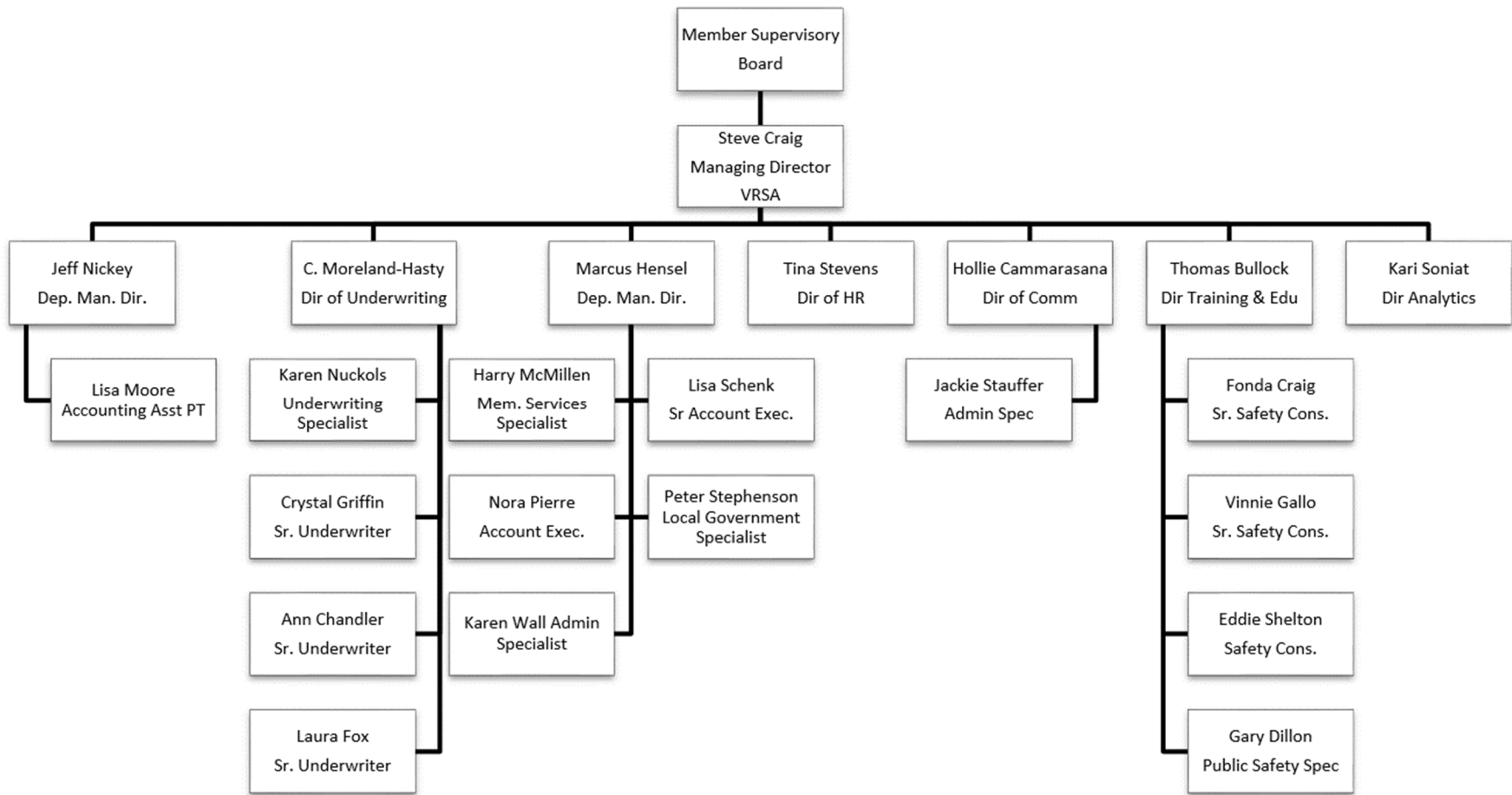
Property & Liability Claims

Chuck Jones Director of P & L Claims
 Shauntrice Allen Claims Representative
 Tracey Dunlap Claims Supervisor
 Asia Foster Claims Supervisor
 Na'Tasha Foss Claims Representative
 Pam Jones Claims Representative
 Gail McWilliams Claims Representative
 Kai Smith Fast Track Representative
 Greg Washington Sr. Claims Representative
 Michelle White Claims Representative

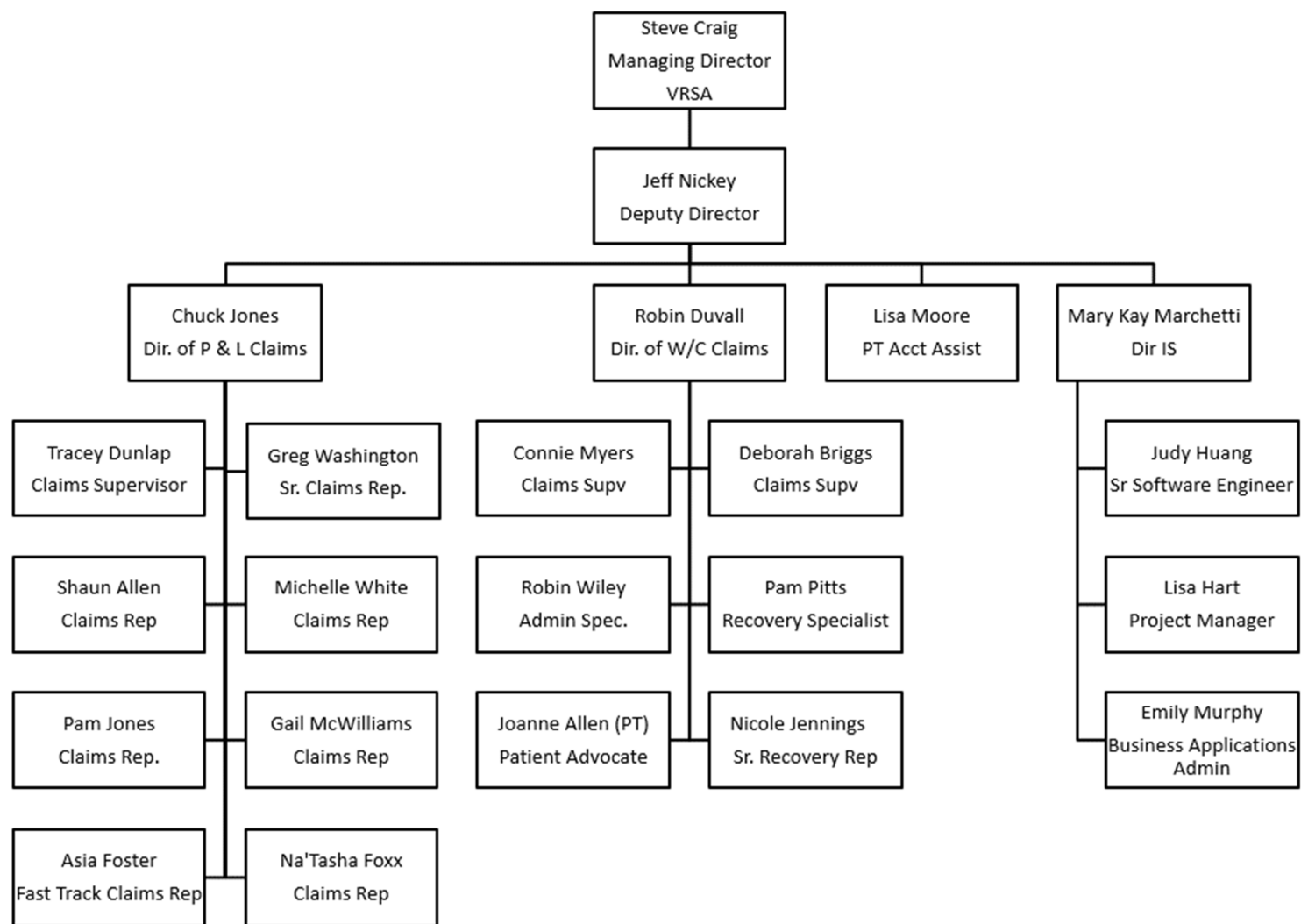
Worker's Compensation Claims

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

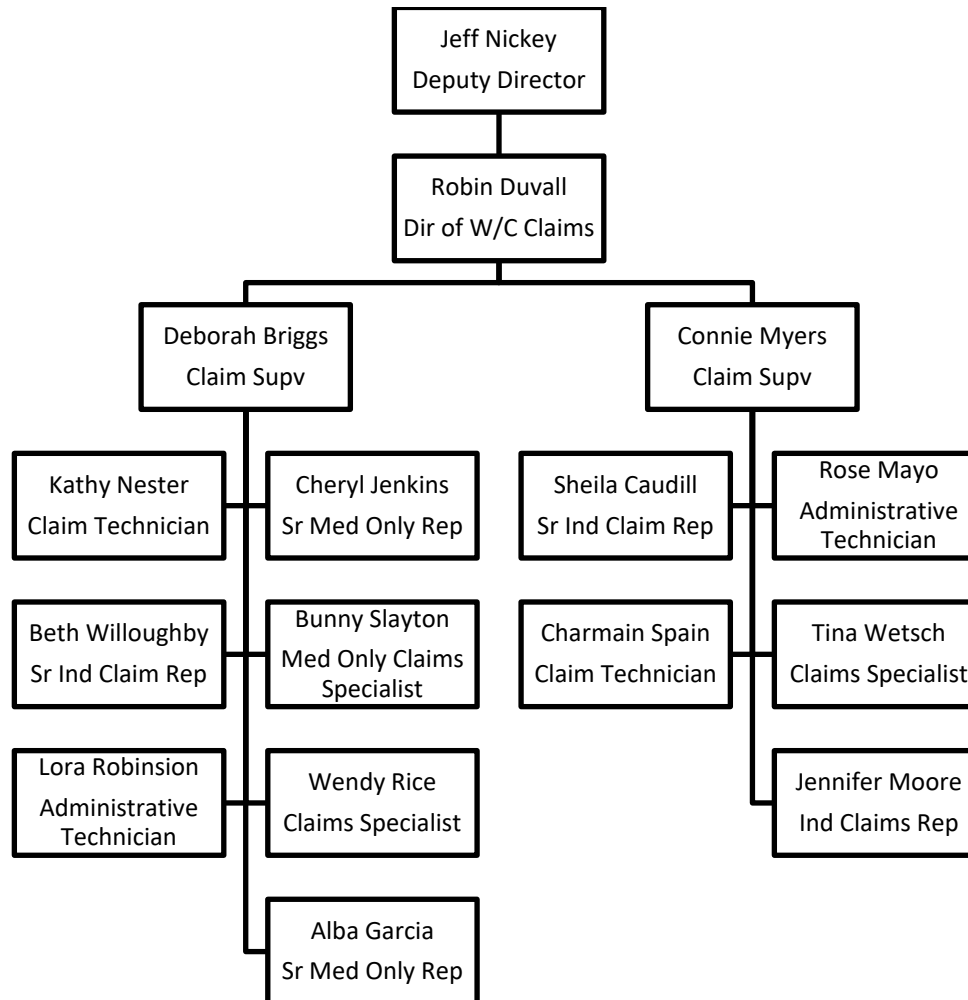
Virginia Risk Sharing Association
Staff Organization Charts
July 1, 2020 – June 30, 2021



Virginia Risk Sharing Association
Staff Organization Charts, Continued
July 1, 2020 – June 30, 2021



**Virginia Risk Sharing Association
Staff Organization Charts, Continued
July 1, 2020 – June 30, 2021**



Virginia Risk Sharing Association and Subsidiaries



FINANCIAL SECTION

For the Period July 1, 2020 – June 30, 2021

- Report of Independent Auditors
- Management Board Acknowledgement
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 - 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

REPORT OF INDEPENDENT AUDITORS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Virginia Risk Sharing Association and Subsidiaries ("the Pool"), which comprise the consolidated statements of net position as of June 30, 2021 and 2020, and the related consolidated statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Virginia Risk Sharing Association and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pool's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.

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

December 31, 2021
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, 2021 and 2020

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, 2021 and 2020. Please read it in conjunction with your review of the Pool's consolidated financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021

- For the year ended June 30, 2021 the change in net position was \$2,326,528 as compared to changes in net position of \$18,544,110 in 2020 and \$18,955,373 in 2019. This brings total net position as of June 30, 2021 to \$142,244,698, which represents a 1.7% increase as compared to June 30, 2020. The increase in net position from June 30, 2020 to June 30, 2019 was 15.3%.
- Operating revenues increased 1.7% or \$990,016 in 2021 following an increase of 4.6% or \$2,569,713 in 2020. 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 2021 and 2020 are attributable to changes in these factors.
- Operating expenses increased 7.3% or \$4,409,900 in 2021 following an increase of 2.6% or \$1,537,605 in 2020. Operating expenses consists of provision for losses, reinsurance, program administration fees and other expenses. Provision for losses represents 66.8% of the Pool's operating expenses for 2021 and 64.3% of operating expenses for 2020. The provision for losses increased \$4,463,837 in 2021 from 2020 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 \$12,797,698 during 2021, following a decrease of \$1,443,371 in 2020. Non-operating income consists of investment income, net increase or decrease in fair value of investments and non-operating expenses. Investment income decreased \$1,044,909 or 11.3% in 2021 and increased \$311,453 or 3.5% in 2020. The fair value of investments decreased \$11,643,243 for a total gain of \$150,313 in 2021 from the gain of \$11,793,556 in 2020. 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, 2021 and 2020

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, 2021 and 2020

FINANCIAL ANALYSIS OF THE POOL

	June 30, 2021	June 30, 2020	2021-2020 Percentage change	June 30, 2019	2020-2019 Percentage change
Current assets	\$ 71,963,955	\$ 58,250,168	23.5%	\$ 53,490,999	8.9%
Capital assets	4,485,013	4,803,237	(6.6)	4,749,907	1.1
Noncurrent assets	<u>291,054,937</u>	<u>292,918,857</u>	(0.6)	<u>269,659,750</u>	8.6
Total assets	<u>367,503,905</u>	<u>355,972,262</u>	3.2	<u>327,900,656</u>	8.6
Current liabilities	29,765,280	31,614,324	(5.8)	31,308,495	1.0
Noncurrent liabilities	<u>195,493,927</u>	<u>184,439,768</u>	6.0	<u>175,218,101</u>	5.3
Total liabilities	<u>225,259,207</u>	<u>216,054,092</u>	4.3	<u>206,526,596</u>	4.6
Net Position:					
Net investment in					
capital assets	4,485,013	4,803,237	(6.6)	4,749,907	1.1
Unrestricted	117,674,649	115,622,967	1.8	97,717,244	18.3
Restricted by regulation	<u>20,085,036</u>	<u>19,491,966</u>	3.0	<u>18,906,909</u>	3.1
Total net position	<u>\$142,244,698</u>	<u>\$139,918,170</u>	1.7	<u>\$121,374,060</u>	15.3

Comments

- Total assets increased 3.2% or \$11,531,643 and 8.6% or \$28,071,606 at June 30, 2021 and June 30, 2020 as compared to prior years, respectively. The increase in investments accounts for most of the increase in total assets in both 2021 and 2020. The Pool historically reinvests interest payments in new securities as they are received during the year as well as periodically allocating new funds to investments when able. Fair value adjustments favorably impacted investment balances in 2021 and 2020.
- Total liabilities increased 4.3% or \$9,205,115 and 4.6% or \$9,527,496 at June 30, 2021 and June 30, 2020 as compared to the prior years, respectively. The majority of the changes in both years results from changes in loss reserves which are based on actuarial analyses that reflect recent settlements, claim frequency, and other economic and social factors.
- Total net position increased 1.7% or \$2,326,528 and 15.3% or \$18,544,110 at June 30, 2021 and at June 30, 2020 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 \$593,070 and \$585,057 for the years ended June 30, 2021 and 2020, respectively, in accordance with the Commission's regulations.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2021 and 2020

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2021	2020	2021-2020 Percentage change	2019	2020-2019 Percentage change
Operating revenues:					
Member contributions	\$ 59,511,531	\$ 58,509,432	1.7%	\$ 55,984,027	4.5%
Miscellaneous Income, net	237,464	249,547	(4.8)	205,239	21.6
Total Operating revenues	59,748,995	58,758,979	1.7	56,189,266	4.6
Operating expenses:					
Provision for losses and loss adjustment expense	43,384,288	38,920,451	11.5	37,999,486	2.4
Program administration costs	11,550,679	11,439,710	1.0	11,270,664	1.5
Reinsurance premiums	10,030,250	10,195,156	(1.6)	9,747,562	4.6
Total operating expenses	64,965,217	60,555,317	7.3	59,017,712	2.6
Operating loss	(5,216,222)	(1,796,338)	190.4	(2,828,446)	(36.5)
Non-operating revenues:					
Investment income	8,211,741	9,256,650	(11.3)	8,945,197	3.5
Net increase in fair value of investments	150,313	11,793,556	(98.7)	13,538,703	(12.9)
Net nonoperating revenues	8,362,054	21,050,206	(60.3)	22,483,900	(6.4)
Non-operating expenses:					
Other nonoperating expenses	819,304	709,758	15.4	700,081	1.4
Non-operating income	7,542,750	20,340,448	(62.9)	21,783,819	(6.6)
Change in net position	2,326,528	18,544,110	(87.5)	18,955,373	(2.2)
Net position:					
Beginning of year	139,918,170	121,374,060	15.3	102,418,687	18.5
End of year	\$ 142,244,698	\$139,918,170	1.7	\$121,374,060	15.3

Comments

- Member contributions increased 1.7% or 1,002,099 during the year ended June 30, 2021 and 4.5% or \$2,525,405 during the year ended June 30, 2020. 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 2021 and 2020 are attributable to changes in these factors.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2021 and 2020

- Miscellaneous income decreased 4.8% or \$12,083 in 2021 and increased 21.6% or \$44,308 in 2020. 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 2021 was primarily due to an increase in the cost Pool's Pharmacy Benefit Management (PBM) service. The Pool utilizes a 3rd party vendor to negotiate the cost of prescriptions related to Workers Compensation claims.
- Provision for losses increased by 11.5% or \$4,463,837 for the year ended June 30, 2021 and increased 2.4% or \$920,965 for the year ended June 30, 2020. 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 2021 was \$43,384,288. This represented a loss ratio (losses and loss adjustment expenses incurred divided by net member contributions) of 72.9% for 2021. The provision for losses and loss adjustment expenses in 2020 were \$38,920,451. This represented a loss ratio of 66.5% for 2020. At each year end, a liability is recorded representing the estimated reserve for losses and loss adjustment expenses. As more information subsequently becomes available, changes in the estimated liability are reflected in current operations. Such changes in the estimated reserve for losses and loss adjustment expenses are referred to as development. Favorable (downward) development in the reserves of \$12,519,000 for accident years 2020 and prior emerged in 2021 and \$12,061,118 of favorable development in the reserves for accident years 2019 and prior emerged in 2020. 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 9.8% to \$1,273,146 for the year ended June 30, 2021 and increased 130.0% or \$877,175 for the year ended June 30, 2020. ULAE represents the estimated costs to administer claims which remained open as of year-end and for which the Pool has an obligation to handle to closure. Unallocated loss adjustment expenses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The changes in both years are reflective of these factors.
- Program administration costs increased 1.0% or \$110,969 and 1.5% or \$169,046 for the years ended June 30, 2021 and 2020, 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 2021 and 2020 are attributable to changes in these costs.
- Reinsurance premiums decreased 1.6% or \$164,906 for the year ended June 30, 2021 and increased 4.6% or \$447,594 for the year ended June 30, 2020. 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 2021 and 2020 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, 2021 and 2020

- Investment income decreased 11.3% or \$1,044,909 for the year ended June 30, 2021 and increased 3.5% or \$311,453 for the year ended June 30, 2020. 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 2021 and 2020 are attributable to changes in these factors.
- The fair value of investments increased \$150,313 in 2021 and \$11,793,556 in 2020. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. The fair value of investments generally moves inversely with changes in interest rates.
- Non-operating expenses increased 15.4% or \$109,546 in 2021 and 1.4% or \$9,677 in 2020. The increase in both years 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.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Net Position

		As of June 30,	
Assets		<u>2021</u>	<u>2020</u>
Current assets:			
Cash and cash equivalents	\$	18,642,643	\$ 16,332,116
Investments		44,439,626	33,295,944
Accounts and contributions receivable		1,074,063	922,659
Accrued interest receivable		1,291,316	1,465,968
Reinsurance receivable		6,436,462	6,182,876
Prepaid expenses		79,845	50,605
Total current assets		<u>71,963,955</u>	<u>58,250,168</u>
Noncurrent assets:			
Capital Assets			
Building and improvements		4,808,593	4,748,751
Furniture and equipment		2,308,958	3,598,595
Less accumulated depreciation		(2,632,538)	(3,544,109)
		<u>4,485,013</u>	<u>4,803,237</u>
Investments		290,894,937	292,758,857
Restricted deposit		160,000	160,000
Total non-current assets		<u>295,539,950</u>	<u>297,722,094</u>
Total assets	\$	<u><u>367,503,905</u></u>	<u><u>\$ 355,972,262</u></u>
Liabilities and Net Position			
Current liabilities:			
Liability for unpaid losses, net	\$	26,658,262	\$ 25,150,877
Contributions collected in advance		1,247,713	4,897,052
Reinsurance payable		77,595	43,473
Other liabilities		<u>1,781,710</u>	<u>1,522,922</u>
Total current liabilities		<u>29,765,280</u>	<u>31,614,324</u>
Noncurrent liabilities:			
Liability for unpaid losses, net		<u>195,493,927</u>	<u>184,439,768</u>
Total liabilities		<u><u>225,259,207</u></u>	<u><u>216,054,092</u></u>
Net position:			
Net investment in capital assets		4,485,013	4,803,237
Unrestricted		117,674,649	115,622,967
Restricted by regulation - contingency reserve (see Note E)		<u>20,085,036</u>	<u>19,491,966</u>
Total net position		<u><u>142,244,698</u></u>	<u><u>139,918,170</u></u>
Total liabilities and net position	\$	<u><u>367,503,905</u></u>	<u><u>\$ 355,972,262</u></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>2021</u>	<u>2020</u>
Operating revenues:		
Member contributions	\$ 59,511,531	\$ 58,509,432
Miscellaneous income, net	<u>237,464</u>	<u>249,547</u>
Total operating revenues	59,748,995	58,758,979
Operating expenses:		
Provision for losses and loss adjustment expenses	43,384,288	38,920,451
Program administration fees	11,550,679	11,439,710
Reinsurance premiums	<u>10,030,250</u>	<u>10,195,156</u>
Total operating expenses	<u>64,965,217</u>	<u>60,555,317</u>
Operating loss	(5,216,222)	(1,796,338)
Non-operating revenues:		
Investment Income	8,211,741	9,256,650
Net increase in fair value of investments	<u>150,313</u>	<u>11,793,556</u>
Total nonoperating revenues	8,362,054	21,050,206
Non-operating expenses	<u>819,304</u>	<u>709,758</u>
Non-operating income, net	<u>7,542,750</u>	<u>20,340,448</u>
Change in net position	2,326,528	18,544,110
Net position at beginning of year	<u>139,918,170</u>	<u>121,374,060</u>
Net position at end of year	<u>\$ 142,244,698</u>	<u>\$ 139,918,170</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>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from members	\$ 55,710,788	\$ 59,545,768
Payments for reinsurance premiums	(9,996,128)	(10,225,205)
Receipts from reinsured claims	7,347,549	2,053,685
Payments for claims and claims adjustment expenses	(38,423,879)	(37,806,611)
Receipts from miscellaneous income, net	237,464	249,547
Payments for administrative and general expenses	(10,786,371)	(10,811,716)
Net cash provided by operating activities	<u>4,089,423</u>	<u>3,005,468</u>
Cash flows from noncapital financing activities:		
Risk management grants	(374,994)	(295,405)
Net cash used for noncapital financing activities	<u>(374,994)</u>	<u>(295,405)</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(216,536)	(537,470)
Net cash used for capital and related financing activities	<u>(216,536)</u>	<u>(537,470)</u>
Cash flows from investing activities:		
Proceeds from calls and maturities of investments	170,696,343	139,782,167
Purchases of investments	(179,825,792)	(151,601,396)
Investment income	7,942,083	8,936,414
Net cash used for investing activities	<u>(1,187,366)</u>	<u>(2,882,815)</u>
Net change in cash and cash equivalents	2,310,527	(710,222)
Cash and cash equivalents:		
Beginning of year	16,332,116	17,042,338
End of year	<u>\$ 18,642,643</u>	<u>\$ 16,332,116</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating loss	(5,216,222)	(\$1,796,338)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	534,760	484,140
Provision for losses	12,561,544	8,190,529
Changes in assets and liabilities:		
Accounts and contributions receivable	(151,404)	(146,321)
Reinsurance receivable	(253,586)	(5,023,004)
Other prepaids	(29,240)	(40,505)
Contributions collected in advance	(3,649,339)	1,182,657
Reinsurance payable	34,122	(30,049)
Other liabilities	258,788	184,359
Net cash provided by operating activities	<u>\$ 4,089,423</u>	<u>\$ 3,005,468</u>
Noncash investing activities:		
Increase in fair value of investments	<u>\$ 150,313</u>	<u>\$ 11,793,556</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, 2021 included 478 cities, towns, counties, and other political subdivisions. Pool membership as of June 30, 2020 included 482 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, 2021 and 2020, \$242,337 and \$241,965, 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, 2021 and 2020, the Pool's investment in the LGIP was rated AAAM by Standards & Poor.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, Continued

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

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

Capital Assets

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

Classification of Revenues and Expenses

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

Compensated Absences

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

Liability for Unpaid Losses

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

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Reinsurance

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

The Pool evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize exposure to losses from reinsurer insolvencies. In preparing consolidated financial statements, management makes estimates of amounts recoverable from reinsurers, which include consideration of amounts, if any, estimated to be uncollectible by management. Management evaluated the creditworthiness of its reinsurers and determined that no valuation allowance was required as of June 30, 2021 and 2020. 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 \$20,676,491 and \$15,229,922 as of June 30, 2021 and 2020, respectively, and is netted against the liability for unpaid losses on the consolidated statements of net position. The increase of 35.8% in 2021 is due to the normal development on several complex claims that will take time to settle. As of June 30, 2021 and 2020, the total reinsurance recoverable on paid losses was \$6,436,462 and \$6,182,876, 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 2021, 2020 and 2019.

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, 2021, 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, 2021 and 2020.

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, 2021 and 2020. 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 31, 2021, the date on which these consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

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

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note C – Affiliated Organizations and Related-Party Transactions

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>2021</u>	<u>2020</u>
Mutual Funds:		
Large Cap Value	\$ 24,767,853	\$ 18,006,890
Bond Funds	<u>15,080,391</u>	<u>13,508,144</u>
Subtotal	<u>39,848,244</u>	<u>31,515,034</u>
Debt Securities:		
US Treasuries	59,987,637	72,490,972
Agencies	-	5,474,787
Corporates	113,629,804	107,494,598
Municipals	23,533,883	17,216,730
US Agency MBS	59,491,018	61,121,118
Asset Backed	27,224,227	22,375,746
CMO	2,604,256	1,505,966
CMBS	<u>9,175,494</u>	<u>7,019,850</u>
Subtotal	<u>295,646,319</u>	<u>294,699,767</u>
	<u>\$ 335,494,563</u>	<u>\$ 326,214,801</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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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.

2021					
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
US Treasuries	\$ 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 CMO	132,040	21,927,470	5,164,717	-	27,224,227
CMBS	-	-	-	2,604,256	2,604,256
	-	-	-	9,175,494	9,175,494
	<u>\$ 4,591,382</u>	<u>\$ 102,351,956</u>	<u>\$ 115,199,490</u>	<u>\$ 73,503,491</u>	<u>\$ 295,646,319</u>

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

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, 2021		As of June 30, 2020	
		Amount	Percentage of Portfolio	Amount	Percentage of Portfolio
U.S. Treasuries		\$ 59,987,637	20.29%	\$ 72,490,972	24.60%
Agencies	AA	-	0.00%	5,474,787	1.86%
Corporates	AAA	723,144	0.25%	662,979	0.23%
Corporates	AA	8,707,555	2.95%	12,676,197	4.30%
Corporates	A	62,149,473	21.02%	71,257,612	24.18%
Corporates	BBB	33,520,494	11.34%	22,897,810	7.77%
Corporates	BBB	8,529,138	2.88%	-	0.00%
Municipals	AAA	208,952	0.07%	14,709,126	4.99%
Municipals	AA	21,801,087	7.37%	2,507,604	0.85%
Municipals	A	1,523,844	0.52%	-	0.00%
U.S. Agency MBS	AA	59,491,018	20.12%	61,121,118	20.74%
Asset Backed	AAA	27,224,227	9.21%	22,375,746	7.59%
CMO	AA	2,604,256	0.88%	1,505,966	0.51%
CMBS	AAA	9,175,494	3.10%	7,019,850	2.38%
		<u>\$ 295,646,319</u>	<u>100.00%</u>	<u>\$ 294,699,767</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:

	2021		2020	
	Fair Value	Effective Duration	Fair Value	Effective Duration
U.S. Treasuries	\$ 59,987,637	5.83	\$ 72,490,972	4.97
Agencies	-	-	5,474,787	3.03
Corporates	113,629,804	5.44	107,494,598	5.69
Municipals	23,533,883	3.18	17,216,730	3.73
U.S. Agency MBS	59,491,018	4.07	61,121,118	2.58
Asset Backed	27,224,227	1.71	22,375,746	1.41
CMO	2,604,256	1.49	1,505,966	2.71
CMBS	9,175,494	5.32	7,019,850	5.17
Total Investments	<u>\$ 295,646,319</u>		<u>\$ 294,699,767</u>	

The effective duration of the custom benchmark at June 30, 2021 and 2020 was 4.68 and 4.26, respectively.

Note E – Net Position

In accordance with regulations of the Commission, at June 30, 2021 and 2020, 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 \$593,070 and \$585,057 as additional contingency reserve in 2021 and 2020, 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:

	2021	2020
Liability for unpaid losses, net at beginning of year	\$ 209,590,645	\$ 201,400,116
Provisions for losses:		
Provision for insured events of the current year	55,903,289	50,981,572
Reduction in provision for insured events of prior years	(12,519,000)	(12,061,121)
Total provision for losses	43,384,289	38,920,451
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	11,625,063	12,134,920
Claims and claims adjustment expenses attributable to insured events of the prior years	19,197,682	18,595,002
Total payments	30,822,745	30,729,922
Liability for unpaid losses, net, at end of year	\$ 222,152,189	\$ 209,590,645

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, 2021, fund years 2014-2015 through 2019-2020 experienced favorable development of \$8,333,231 with funds years 2018-2019 and 2019-2020 accounting for about 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, 2021 and 2020, 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 2021 or 2020. 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, 2021 and 2020 was as follows:

Capital assets as of June 30, 2021

	Beginning Balance	Increases	Decreases	Ending 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)	-	-	(1,313,689)
Furniture and equipment	(2,230,420)	(534,760)	1,446,331	(1,318,849)
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>

Capital assets as of June 30, 2020

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

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, 2021 and 2020, 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, 2021 and 2020.

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, 2021 and 2020

	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	(12,569,047)	(12,519,000)
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	15,742,199	43,384,289
Payments:													
Claims and claims adjustment expenses attributable to insured events of the current year		1,157,960	302,257	58,623	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	4,409,577	19,197,682
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	8,918,100	30,822,745
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 Liability for Unpaid Losses, Net, by Type of Contract, Continued Years Ended June 30, 2021 and 2020

2020	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 9,760,987	\$ 12,673,048	\$ 3,296,210	\$ 16,211,838	\$ 3,800,515	\$ 326,188	\$ 283,194	\$ 55,675	\$ 291,930	\$ 15,969,089	\$ 138,731,442	\$ 201,400,116
Provisions for losses:												
Provision for insured events of the current year	3,422,473	5,018,110	1,106,348	9,442,467	5,672,135	460,476	150,866	-	352,020	2,587,200	22,769,477	50,981,572
Increase (reduction) in provision for insured events of prior years	(1,101,648)	1,295,684	824,334	(1,425,292)	(638,571)	(183,256)	(145,544)	-	(75,000.00)	160,709	(10,772,537)	(12,061,121)
Total provision for losses	2,320,825	6,313,794	1,930,682	8,017,175	5,033,564	277,220	5,322	-	277,020	2,747,909	11,996,940	38,920,451
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,021,315	180,064	16,558.00	3,665,100	3,659,094	145,646	-	-	65,903	54,406	3,326,834	12,134,920
Claims and claims adjustment expenses attributable to insured events of the prior years	1,288,376	3,476,030	1,613,063	3,265,314	1,049,914	187,573	(18,179)	-	107,321	599,169	7,026,421	18,595,002
Total payments	2,309,691	3,656,094	1,629,621	6,930,414	4,709,008	333,219	(18,179)	-	173,224	653,575	10,353,255	30,729,922
Liability for unpaid losses, net at end of year	\$ 9,772,121	\$ 15,330,748	\$ 3,597,271	\$ 17,298,599	\$ 4,125,071	\$ 270,189	\$ 306,695	\$ 55,675	\$ 395,726	\$ 18,063,423	\$ 140,375,127	\$ 209,590,645

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Contribution and investment revenue:										
Earned	\$ 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	\$ 66,936,501
Ceded	<u>10,030,250</u>	<u>10,195,156</u>	<u>9,747,562</u>	<u>9,533,805</u>	<u>10,011,251</u>	<u>10,356,696</u>	<u>10,562,088</u>	<u>10,635,462</u>	<u>9,265,893</u>	<u>9,047,674</u>
Net earned	58,080,799	69,614,029	68,925,604	46,564,067	46,571,395	55,045,544	48,792,561	54,684,553	47,054,346	57,888,827
2. Unallocated expenses	\$ 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	\$ 10,731,036
3. Estimated provisions for losses, end of policy year:										
Incurred	\$ 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	\$ 46,536,246
Ceded	<u>1,021,840</u>	<u>6,774,716</u>	<u>3,131,342</u>	<u>2,564,733</u>	<u>967,328</u>	<u>266,239</u>	<u>2,120,574</u>	<u>2,750,772</u>	<u>55,813</u>	<u>2,593,292</u>
Net incurred	54,663,293	52,517,765	68,554,967	62,851,043	53,738,350	44,753,048	42,764,921	41,200,000	43,189,904	43,942,954
4. Paid (cumulative) at end of:										
Policy year	\$ 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	\$ 10,035,498
One year later		20,691,604	23,123,301	22,280,385	20,272,518	16,945,629	19,281,435	18,147,983	16,093,672	17,408,359
Two years later			26,169,679	25,981,423	24,313,831	20,725,450	23,889,817	21,564,219	19,987,757	21,687,535
Three years later				29,629,322	26,053,924	23,205,857	24,717,188	23,217,996	22,301,837	23,942,528
Four years later					27,410,255	24,329,532	25,753,567	25,121,314	23,453,565	25,254,427
Five years later						24,424,814	28,348,469	25,614,934	24,136,564	25,839,274
Six years later							26,628,043	26,808,711	24,430,781	26,383,726
Seven years later								27,246,481	24,601,522	26,531,904
Eight years later									24,759,347	26,677,547
Nine years later										26,710,499
5. Reestimated ceded losses and expenses	\$ 1,021,840	\$ 11,309,364	\$ 5,080,142	\$ 3,873,793	\$ 2,436,652	\$ 1,051,096	\$ 112,818	\$ 8,276,523	\$ 502,478	\$ 1,390,279
6. Reestimated provision for losses at end of:										
Policy year	\$ 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	\$ 43,942,954
One year later		47,875,691	50,560,946	48,685,182	48,519,272	41,199,067	41,320,788	39,619,876	36,865,288	41,766,401
Two years later			47,635,005	46,706,989	44,927,773	38,318,801	40,296,443	37,563,095	36,650,001	38,360,262
Three years later				46,316,934	41,952,147	36,030,304	38,875,204	35,983,021	35,137,465	36,723,219
Four years later					33,565,829	34,609,790	36,399,974	34,548,027	34,673,181	36,330,329
Five years later						34,872,308	35,834,615	33,468,317	33,548,664	33,920,912
Six years later							33,160,583	34,075,732	32,066,645	32,991,618
Seven years later								31,538,602	31,322,449	32,279,756
Eight years later									31,391,193	31,783,677
Nine years later										28,981,332
7. Increase (decrease) in provision for losses from end of policy year		\$ (1,642,074)	\$ (20,919,962)	\$ (16,534,109)	\$ (20,172,521)	\$ (9,880,740)	\$ (9,604,338)	\$ (9,837,727)	\$ (11,798,711)	\$ (14,961,622)

See accompanying report of independent auditors.

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, 2021

	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	\$ 3,197,859	\$ 2,346,729	\$ 1,159,702	\$9,088,534	\$14,056,549	\$ 966,857	\$ 290,763	\$ 2,552,869	\$ 655,797	\$ 3,661,828	\$21,534,044	\$59,511,531
Miscellaneous income, net	12,963	9,760	4,823	37,800	29,506	4,021	1,209	2,933	2,226	15,230	116,993	237,464
Investment income	517,252	389,455	192,460	1,508,301	1,177,351	160,456	48,254	117,040	88,834	607,704	3,404,634	8,211,741
Unrealized gain on investments	9,468	7,129	3,523	27,609	21,551	2,937	883	2,142	1,626	11,124	62,321	150,313
Total revenue	3,737,542	2,753,073	1,360,508	10,662,244	15,284,957	1,134,271	341,109	2,674,984	748,483	4,295,886	25,117,992	68,111,049
Expenses:												
Provision (recovery) 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
Program administration fees	751,112	415,923	205,611	1,780,185	1,559,395	185,520	55,821	121,845	127,981	860,675	5,486,611	11,550,679
Excess premiums	81,070	-	-	-	6,962,214	-	-	1,847,624	120,514	-	1,018,828	10,030,250
Nonoperating expenses	51,607	38,857	19,202	150,487	117,467	16,009	4,814	11,677	8,863	60,632	339,689	819,304
Total expenses (recovery)	5,047,952	4,170,244	3,468,833	8,933,745	13,705,489	405,115	(38,948)	1,981,146	(92,642)	5,616,261	22,587,326	65,784,521
Excess (deficiency) of revenue over expenses	\$ (1,310,410)	\$ (1,417,171)	\$ (2,108,325)	\$1,728,499	\$ 1,579,468	\$ 729,156	\$ 380,057	\$ 693,838	\$ 841,125	\$ (1,320,375)	\$ 2,530,666	\$ 2,326,528

See accompanying report of independent auditors.

Virginia Risk Sharing Association and Subsidiaries



STATISTICAL SECTION

For the Period July 1, 2020 – June 30, 2021

- 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,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating revenues	\$ 54,168,836	\$ 53,868,539	\$ 54,905,708	\$ 54,747,549	\$ 53,458,868	\$ 54,282,483	\$ 54,810,081	\$ 56,189,266	\$ 58,758,979	\$ 59,748,995
Operating expenses	5,505,468	51,706,667	45,481,754	56,354,536	58,998,937	54,757,777	60,849,411	59,017,712	60,555,317	64,965,217
Operating income / (loss)	48,663,368	2,161,872	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)	(5,216,222)
Total non-operating revenue and expenses	12,122,286	1,725,807	9,687,825	3,900,735	11,119,535	1,544,328	591,558	21,783,819	20,340,448	7,542,750
Change in net position	<u>\$ 60,785,654</u>	<u>\$ 3,887,679</u>	<u>\$ 19,111,779</u>	<u>\$ 2,293,748</u>	<u>\$ 5,579,466</u>	<u>\$ 1,069,034</u>	<u>\$ (5,447,772)</u>	<u>\$ 18,955,373</u>	<u>\$ 18,544,110</u>	<u>\$ 2,326,528</u>

Operating Revenue

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contributions	\$ 54,020,382	\$ 53,721,867	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531
Miscellaneous income, net	148,454	146,672	134,269	221,108	163,386	138,536	91,697	205,239	249,547	237,464
	<u>\$ 54,168,836</u>	<u>\$ 53,868,539</u>	<u>\$ 54,905,708</u>	<u>\$ 54,747,549</u>	<u>\$ 53,458,868</u>	<u>\$ 54,282,483</u>	<u>\$ 54,810,081</u>	<u>\$ 56,189,266</u>	<u>\$ 58,758,979</u>	<u>\$ 59,748,995</u>

Operating Expenses

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ceded reinsurance	\$ 9,047,674	\$ 9,265,892	\$ 10,635,462	\$ 10,562,088	\$ 10,356,696	\$ 10,011,251	\$ 9,533,805	\$ 9,747,562	\$ 10,195,156	\$ 10,030,250
Program administrative costs	9,102,667	8,765,900	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679
Provision for losses & LAE	36,925,127	33,674,875	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,288
	<u>\$ 55,075,468</u>	<u>\$ 51,706,667</u>	<u>\$ 45,481,754</u>	<u>\$ 56,354,536</u>	<u>\$ 58,998,937</u>	<u>\$ 54,757,777</u>	<u>\$ 60,849,411</u>	<u>\$ 59,017,712</u>	<u>\$ 60,555,317</u>	<u>\$ 64,965,217</u>

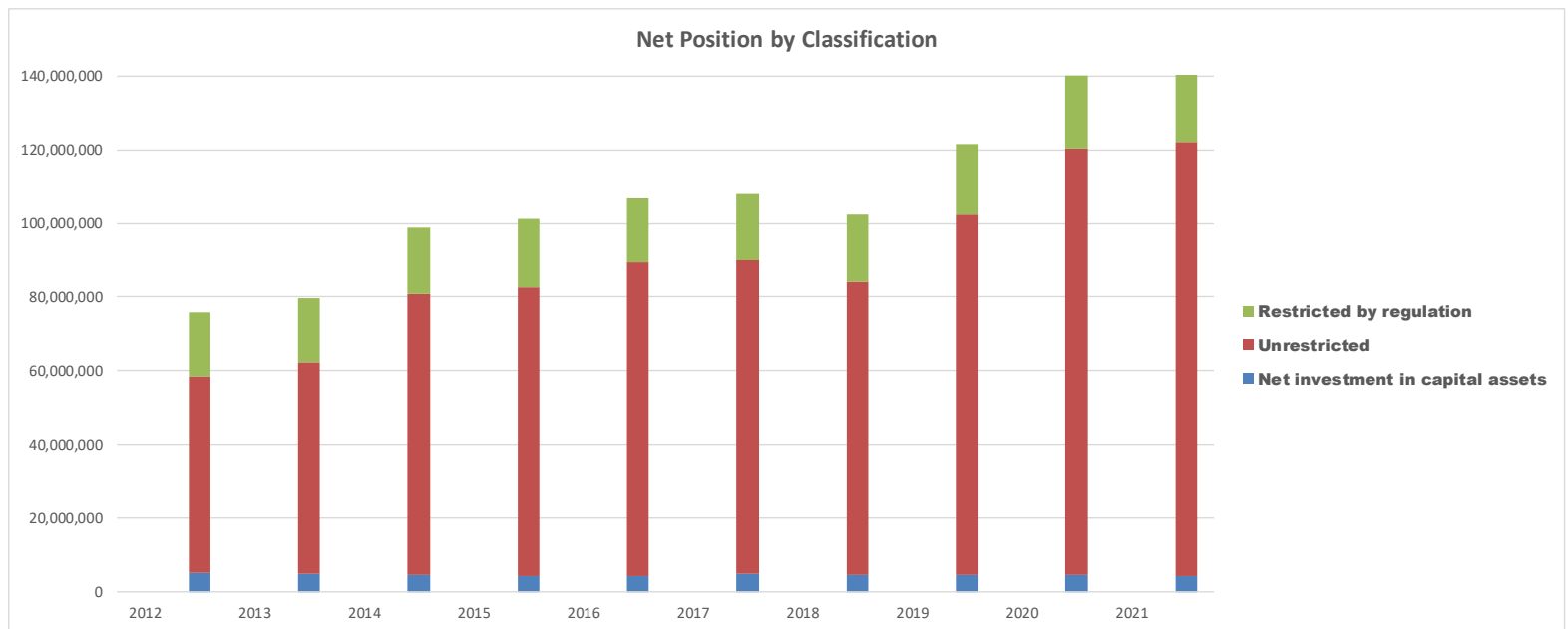
Non-Operating Revenue and Expenses

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Investment income	\$ 8,378,259	\$ 7,917,366	\$ 7,195,198	\$ 7,175,278	\$ 7,838,810	\$ 7,980,980	\$ 8,305,543	\$ 8,945,197	\$ 9,256,650	\$ 8,211,741
Unrealized gains / (losses)	4,389,407	(5,483,895)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313
Other expenses	645,380	708,664	702,221	706,365	823,838	755,836	696,232	700,081	709,758	819,304
	<u>\$ 12,122,286</u>	<u>\$ 1,724,807</u>	<u>\$ 9,687,825</u>	<u>\$ 3,900,735</u>	<u>\$ 11,119,535</u>	<u>\$ 1,544,328</u>	<u>\$ 591,558</u>	<u>\$ 21,783,819</u>	<u>\$ 20,340,448</u>	<u>\$ 7,542,750</u>

Virginia Risk Sharing Association and Subsidiaries

Net Position by Classification

Fiscal Year Ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net investment in capital assets	\$ 5,243,674	\$ 5,021,022	\$ 4,816,870	\$ 4,525,562	\$ 4,378,285	\$ 4,890,570	\$ 4,717,005	\$ 4,749,907	\$ 4,803,237	\$ 4,485,013
Unrestricted	53,372,641	57,278,282	76,046,499	78,086,291	85,160,694	85,176,003	79,354,613	97,717,244	115,622,967	117,674,649
Restricted by regulation	<u>17,308,438</u>	<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>
Change in net position	<u>\$ 75,924,753</u>	<u>\$ 79,812,432</u>	<u>\$ 98,924,211</u>	<u>\$ 101,217,959</u>	<u>\$ 106,797,425</u>	<u>\$ 107,866,459</u>	<u>\$ 102,418,687</u>	<u>\$ 121,374,060</u>	<u>\$ 139,918,170</u>	<u>\$ 142,244,698</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 54,020,382	\$ 53,721,867	\$ 54,771,439	\$ 54,526,441	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531
Ceded reinsurance	9,047,674	9,265,892	10,635,462	10,562,088	10,356,696	10,011,251	9,533,805	9,747,562	10,195,156	10,030,250
Net premiums	44,972,708	44,455,975	44,135,977	43,964,353	42,938,786	44,132,696	45,184,579	46,236,465	48,314,276	49,481,281
Miscellaneous Income, net	148,454	146,672	134,269	221,108	163,386	138,536	91,697	205,239	249,547	237,464
Program administrative costs	9,102,667	8,765,900	9,628,206	10,321,741	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679
Provision for loss & LAE	36,925,127	33,674,875	25,218,086	35,470,707	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,288
Operating revenue/(loss)	(906,632)	2,161,872	9,423,954	(1,606,987)	(5,540,069)	(475,294)	(6,039,330)	(2,828,447)	(1,796,338)	(5,216,222)
Investment income	8,378,259	7,917,366	7,195,198	7,175,278	7,838,810	7,980,980	8,305,543	8,945,197	9,256,650	8,211,741
Unrealized gain/(loss)	4,389,407	(5,482,895)	3,194,848	(2,568,178)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313
Non-operating income	12,767,666	2,434,471	10,390,046	4,607,100	11,943,373	2,300,163	1,287,791	22,483,900	21,050,206	8,362,054
Other expenses	645,380	708,663	702,221	706,365	823,838	755,835	696,232	700,081	709,758	819,304
Non-operating revenue/(loss)	12,122,286	1,725,808	9,687,825	3,900,735	11,119,535	1,544,328	591,558	21,783,819	20,340,448	7,542,750
Change in net position	11,215,654	3,887,680	19,111,779	2,293,748	5,579,466	1,069,034	(5,447,772)	18,955,372	18,544,110	2,326,528
Beginning net position balance	64,709,099	75,924,753	79,812,433	98,924,212	101,217,960	106,797,426	107,866,460	102,418,688	121,374,060	139,918,170
Ending net position balance	\$ 75,924,753	\$ 79,812,433	\$ 98,924,212	\$ 101,217,960	\$ 106,797,426	\$ 107,866,460	\$ 102,418,688	\$ 121,374,060	\$ 139,918,170	\$ 142,244,698

Workers Compensation

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 21,884,810	\$ 20,299,909	\$ 20,919,822	\$ 20,351,394	\$ 20,083,515	\$ 20,054,717	\$ 20,845,868	\$ 21,035,289	\$ 22,331,107	\$ 21,534,044
Ceded reinsurance	1,966,676	1,012,205	1,518,664	1,610,256	1,327,043	1,021,186	846,297	1,067,384	1,022,538	1,018,828
Net premiums	19,918,134	19,287,704	19,401,158	18,741,138	18,756,472	19,033,531	19,999,571	19,967,905	21,308,569	20,515,216
Miscellaneous Income, net	148,454	141,186	127,906	207,168	155,436	72,500	41,924	110,569	142,821	116,993
Program administrative costs	4,081,541	3,882,244	4,576,250	4,828,797	4,801,354	4,963,117	4,842,347	5,080,541	5,384,356	5,486,611
Provision for loss & LAE	21,007,440	20,149,216	16,863,036	20,721,770	23,195,073	10,371,614	11,811,592	21,667,221	11,996,940	15,742,198
Operating revenue/(loss)	(5,022,393)	(4,602,570)	(1,910,223)	(6,602,260)	(9,084,519)	3,771,300	3,387,556	(6,669,288)	4,070,094	(596,600)
Investment income	3,710,679	3,435,034	3,162,843	3,058,680	3,424,140	3,442,034	3,676,195	3,863,117	4,082,561	3,404,634
Unrealized gain/(loss)	1,944,041	(2,378,813)	1,404,381	(1,094,764)	1,792,950	(2,450,020)	(3,106,193)	5,846,890	5,201,441	62,321
Non-operating income	5,654,720	1,056,221	4,567,225	1,963,916	5,217,091	992,014	570,001	9,710,007	9,284,002	3,466,955
Other expenses	285,835	297,707	295,083	301,109	359,868	325,976	308,166	302,341	313,032	339,689
Non-operating revenue/(loss)	5,368,885	758,514	4,272,141	1,662,807	4,857,223	666,037	261,835	9,407,666	8,970,970	3,127,266
Change in net position	\$ 346,492	\$ (3,844,056)	\$ 2,361,919	\$ (4,939,453)	\$ (4,227,297)	\$ 4,437,337	\$ 3,649,391	\$ 2,738,378	\$ 13,041,064	\$ 2,530,666

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

LODA

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 367,550	\$ 1,027,395	\$ 1,485,866	\$ 1,805,629	\$ 2,003,715	\$ 2,417,481	\$ 2,349,383	\$ 2,737,991	\$ 3,562,172	\$ 3,661,828
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	367,550	1,027,395	1,485,866	1,805,629	2,003,715	2,417,481	2,349,383	2,737,991	3,562,172	3,661,828
Miscellaneous Income, net	-	-	382	998	1,083	9,529	1,904	9,868	14,078	15,230
Program administrative costs	70,406	176,986	271,697	344,564	397,405	951,094	921,546	397,587	792,492	860,675
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
Operating revenue/(loss)	297,144	(213,973)	509,562	238,614	679,938	(5,680,224)	(8,647,240)	5,850,215	35,849	(1,878,571)
Investment income	68,473	182,973	242,231	294,691	365,794	437,179	431,849	529,709	682,485	607,704
Unrealized gain/(loss)	35,873	(126,712)	107,557	(105,476)	191,537	(311,181)	(364,890)	801,723	869,529	11,124
Non-operating income	104,346	56,261	349,788	189,215	557,331	125,997	66,959	1,331,432	1,552,014	618,828
Other expenses	5,275	16,776	24,458	29,011	38,444	41,403	36,201	41,457	52,330	60,632
Non-operating revenue/(loss)	99,071	39,485	325,330	160,204	518,887	84,595	30,758	1,289,975	1,499,684	558,196
Change in net position	\$ 396,215	\$ (174,488)	\$ 834,892	\$ 398,819	\$ 1,198,825	\$ (5,595,630)	\$ (8,616,482)	\$ 7,140,191	\$ 1,535,533	\$ (1,320,375)

Property & Liability, Overall

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 31,768,022	\$ 32,394,563	\$ 32,365,751	\$ 32,369,418	\$ 31,208,252	\$ 31,671,749	\$ 31,523,133	\$ 32,210,747	\$ 32,616,153	\$ 34,315,659
Ceded reinsurance	7,080,998	8,253,687	9,116,798	8,951,832	9,029,653	8,990,065	8,687,508	8,680,178	9,172,618	9,011,422
Net premiums	24,687,024	24,140,876	23,248,953	23,417,586	22,178,599	22,681,684	22,835,625	23,530,569	23,443,535	25,304,237
Miscellaneous Income, net	-	5,486	5,981	12,942	6,867	56,506	47,869	84,802	92,648	105,241
Program administrative costs	4,950,720	4,706,670	4,780,259	5,148,381	5,062,860	4,838,679	5,308,039	5,792,536	5,262,862	5,203,393
Provision for loss & LAE	15,917,687	12,461,277	7,650,061	13,525,488	14,258,095	16,465,882	18,355,102	19,832,209	24,175,602	22,947,136
Operating revenue/(loss)	3,818,617	6,978,415	10,824,614	4,756,658	2,864,512	1,433,630	(779,646)	(2,009,374)	(5,902,281)	(2,741,051)
Investment income	4,599,107	4,299,359	3,790,124	3,821,908	4,048,876	4,101,768	4,197,500	4,552,372	4,491,604	4,199,403
Unrealized gain/(loss)	2,409,493	(2,977,370)	1,682,910	(1,367,939)	2,120,075	(2,919,615)	(3,546,670)	6,890,090	5,722,586	76,868
Non-operating income	7,008,600	1,321,989	5,473,034	2,453,969	6,168,951	1,182,153	650,831	11,442,461	10,214,190	4,276,271
Other expenses	354,270	394,180	382,680	376,245	425,526	388,456	351,866	356,284	344,396	418,983
Non-operating revenue/(loss)	6,654,330	927,809	5,090,354	2,077,724	5,743,425	793,696	298,965	11,086,177	9,869,794	3,857,288
Change in net position	\$ 10,472,947	\$ 7,906,224	\$ 15,914,968	\$ 6,834,382	\$ 8,607,937	\$ 2,227,326	\$ (480,681)	\$ 9,076,804	\$ 3,967,513	\$ 1,116,237

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

General Liability

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 3,729,596	\$ 3,658,309	\$ 3,609,788	\$ 3,519,738	\$ 3,077,724	\$ 2,994,970	\$ 2,970,925	\$ 2,908,569	\$ 2,738,630	\$ 3,197,859
Ceded reinsurance	-	-	-	-	-	-	-	-	-	81,070
Net premiums	3,729,596	3,658,309	3,609,788	3,519,738	3,077,724	2,994,970	2,970,925	2,908,569	2,738,630	3,116,789
Miscellaneous Income, net	-	-	929	1,945	953	7,461	6,228	10,482	10,823	12,963
Program administrative costs	926,851	895,958	887,620	931,240	899,561	882,226	891,370	828,012	708,503	751,112
Provision for loss & LAE	1,458,701	430,925	148,253	2,224,737	2,002,958	3,521,446	2,656,110	1,512,726	2,320,825	4,164,163
Operating revenue/(loss)	1,344,044	2,331,426	2,574,843	365,706	176,158	(1,401,240)	(570,327)	578,313	(279,875)	(1,785,523)
Investment income	694,811	651,525	588,480	574,445	561,862	541,612	546,097	562,710	524,701	517,252
Unrealized gain/(loss)	364,014	(451,191)	261,300	(205,606)	294,203	(385,516)	(461,423)	851,671	668,502	9,468
Non-operating income	1,058,825	200,334	849,780	368,839	856,065	156,096	84,673	1,414,381	1,193,203	526,720
Other expenses	53,521	59,734	59,417	56,551	59,050	51,293	45,778	44,040	40,232	51,607
Non-operating revenue/(loss)	1,005,304	140,600	790,362	312,289	797,015	104,802	38,895	1,370,341	1,152,971	475,113
Change in net position	\$ 2,349,348	\$ 2,472,026	\$ 3,365,206	\$ 677,994	\$ 973,173	\$ (1,296,438)	\$ (531,432)	\$ 1,948,655	\$ 873,096	\$ (1,310,410)

Public Officials Liability

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 2,662,686	\$ 2,620,091	\$ 2,544,236	\$ 2,453,796	\$ 2,144,570	\$ 2,041,290	\$ 2,028,047	\$ 2,032,304	\$ 2,171,271	\$ 2,346,729
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	2,662,686	2,620,091	2,544,236	2,453,796	2,144,570	2,041,290	2,028,047	2,032,304	2,171,271	2,346,729
Miscellaneous Income, net	-	5,486	655	1,356	664	5,085	4,251	7,324	8,581	9,760
Program administrative costs	443,646	427,294	428,830	457,397	421,824	359,276	395,480	418,939	421,072	415,923
Provision for loss & LAE	1,215,414	2,551,387	1,069,988	1,378,254	2,961,460	(555,876)	3,333,169	4,026,687	6,313,794	3,715,464
Operating revenue/(loss)	1,003,626	(353,104)	1,046,072	619,501	(1,238,050)	2,242,974	(1,696,351)	(2,405,998)	(4,555,014)	(1,774,898)
Investment income	496,049	466,624	414,770	400,476	391,508	369,148	372,783	393,182	415,999	389,455
Unrealized gain/(loss)	259,882	(323,144)	184,168	(143,339)	205,002	(262,757)	(314,982)	595,088	530,009	7,129
Non-operating income	755,931	143,480	598,938	257,137	596,510	106,391	57,801	988,270	946,008	396,584
Other expenses	38,211	42,782	41,878	39,425	41,146	34,960	31,249	30,772	31,897	38,857
Non-operating revenue/(loss)	717,720	100,698	557,060	217,713	555,363	71,431	26,551	957,498	914,111	357,727
Change in net position	\$ 1,721,346	\$ (252,406)	\$ 1,603,132	\$ 837,214	\$ (682,687)	\$ 2,314,405	\$ (1,669,799)	\$ (1,448,500)	\$ (3,640,903)	\$ (1,417,171)

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

Law Enforcement Liability

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 1,417,316	\$ 1,366,735	\$ 1,334,897	\$ 1,322,877	\$ 1,152,922	\$ 1,091,175	\$ 1,044,900	\$ 1,072,880	\$ 1,103,057	\$ 1,159,702
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	1,417,316	1,366,735	1,334,897	1,322,877	1,152,922	1,091,175	1,044,900	1,072,880	1,103,057	1,159,702
Miscellaneous Income, net	-	-	343	731	357	2,718	2,190	3,867	4,359	4,823
Program administrative costs	236,148	222,892	224,996	223,831	203,550	185,026	202,017	218,431	205,635	205,611
Provision for loss & LAE	2,900,101	(640,352)	(1,368,929)	611,223	(604,092)	3,769,145	805,427	230,013	1,930,682	3,244,020
Operating revenue/(loss)	(1,718,933)	1,784,195	2,479,173	488,554	1,553,822	(2,860,278)	39,647	628,303	(1,028,901)	(2,285,106)
Investment income	264,041	243,408	217,619	215,902	210,475	197,329	192,067	207,566	211,337	192,460
Unrealized gain/(loss)	138,332	(168,564)	96,628	(77,276)	110,209	(140,457)	(162,287)	314,155	269,257	3,523
Non-operating income	402,373	74,844	314,248	138,627	320,684	56,871	29,780	521,721	480,594	195,983
Other expenses	20,339	22,316	21,973	21,254	22,120	18,688	16,100	16,245	16,204	19,202
Non-operating revenue/(loss)	382,034	52,528	292,275	117,372	298,564	38,183	13,680	505,476	464,390	176,781
Change in net position	\$ (1,336,899)	\$ 1,836,723	\$ 2,771,448	\$ 605,926	\$ 1,852,385	\$ (2,822,095)	\$ 53,327	\$ 1,133,779	\$ (564,511)	\$ (2,108,325)

Automobile

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 9,403,243	\$ 9,341,596	\$ 9,162,033	\$ 8,953,955	\$ 8,181,996	\$ 8,092,621	\$ 8,326,381	\$ 8,867,732	\$ 7,834,492	\$ 9,088,534
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	9,403,243	9,341,596	9,162,033	8,953,955	8,181,996	8,092,621	8,326,381	8,867,732	7,834,492	9,088,534
Miscellaneous Income, net	-	-	2,357	4,948	2,533	20,161	17,454	31,959	30,962	37,800
Program administrative costs	1,717,806	1,674,903	1,739,986	1,824,453	1,729,176	1,551,114	1,792,581	2,040,724	1,677,059	1,780,185
Provision for loss & LAE	6,413,867	6,017,276	4,543,371	5,267,814	6,175,320	4,868,939	6,524,559	8,267,343	8,017,175	7,003,073
Operating revenue/(loss)	1,271,570	1,649,417	2,881,033	1,866,636	280,033	1,692,729	26,696	(1,408,376)	(1,828,780)	343,076
Investment income	1,751,791	1,663,687	1,493,626	1,461,346	1,493,687	1,463,474	1,530,503	1,715,607	1,501,029	1,508,301
Unrealized gain/(loss)	917,771	(1,152,128)	663,207	(523,045)	782,125	(1,041,692)	(1,293,195)	2,596,600	1,912,406	27,609
Non-operating income	2,669,562	511,559	2,156,833	938,300	2,275,813	421,781	237,307	4,312,207	3,413,435	1,535,910
Other expenses	134,941	152,533	150,808	143,861	156,982	138,598	128,298	134,269	115,092	150,487
Non-operating revenue/(loss)	2,534,621	359,026	2,006,025	794,439	2,118,830	283,184	109,009	4,177,938	3,298,343	1,385,423
Change in net position	\$ 3,806,191	\$ 2,008,443	\$ 4,887,058	\$ 2,661,075	\$ 2,398,863	\$ 1,975,912	\$ 135,705	\$ 2,769,562	\$ 1,469,563	\$ 1,728,499

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

Property

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 9,579,544	\$ 10,513,974	\$ 10,875,910	\$ 11,288,076	\$ 12,190,146	\$ 13,110,014	\$ 12,682,673	\$ 13,123,542	\$ 14,597,598	\$ 14,056,549
Ceded reinsurance	3,751,357	4,375,017	5,282,784	5,175,746	5,658,780	6,025,635	5,817,904	6,302,542	6,885,035	6,962,214
Net premiums	5,828,187	6,138,957	5,593,126	6,112,330	6,531,366	7,084,379	6,864,769	6,821,000	7,712,563	7,094,335
Miscellaneous Income, net	-	-	1,439	3,378	2,022	17,649	14,390	24,582	30,480	29,506
Program administrative costs	1,303,897	1,270,994	1,309,506	1,511,441	1,590,781	1,604,842	1,700,291	1,823,129	1,840,365	1,559,395
Provision for loss & LAE	3,178,867	3,969,644	3,043,826	3,711,916	3,489,904	4,570,346	4,366,024	5,096,418	5,033,564	5,066,413
Operating revenue/(loss)	1,345,423	898,319	1,241,233	892,350	1,452,704	926,841	812,844	(73,965)	869,114	498,033
Investment income	1,085,772	1,093,316	911,811	997,573	1,192,352	1,281,143	1,261,838	1,319,633	1,477,669	1,177,351
Unrealized gain/(loss)	568,843	(757,136)	404,867	(357,052)	624,340	(911,910)	(1,066,188)	1,997,287	1,882,643	21,551
Non-operating income	1,654,615	336,180	1,316,677	640,522	1,816,692	369,233	195,650	3,316,920	3,360,312	1,198,902
Other expenses	83,637	100,238	92,063	98,205	125,313	121,330	105,777	103,279	113,301	117,467
Non-operating revenue/(loss)	1,570,978	235,942	1,224,614	542,316	1,691,379	247,903	89,874	3,213,641	3,247,011	1,081,435
Change in net position	\$ 2,916,401	\$ 1,134,261	\$ 2,465,847	\$ 1,434,667	\$ 3,144,083	\$ 1,174,743	\$ 902,718	\$ 3,139,677	\$ 4,116,125	\$ 1,579,468

Boiler & Machinery

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 687,668	\$ 730,566	\$ 771,354	\$ 811,366	\$ 867,745	\$ 913,712	\$ 884,471	\$ 911,528	\$ 998,235	\$ 966,857
Ceded reinsurance	153,251	185,574	257,559	260,629	356,676	385,867	350,559	381,030	424,681	-
Net premiums	534,417	544,992	513,795	550,737	511,069	527,845	533,912	530,498	573,554	966,857
Miscellaneous Income, net	-	-	132	304	158	1,315	1,119	1,912	2,267	4,021
Program administrative costs	115,426	115,581	100,720	111,118	109,127	107,794	120,348	129,043	124,458	185,520
Provision for loss & LAE	146,146	91,605	277,515	253,245	239,653	90,880	406,806	357,748	277,220	203,586
Operating revenue/(loss)	272,845	337,806	135,692	186,678	162,447	330,487	7,877	45,618	174,143	581,772
Investment income	99,560	97,060	83,761	89,884	93,300	95,456	98,140	102,633	109,889	160,456
Unrealized gain/(loss)	52,160	(67,216)	37,192	(32,171)	48,854	(67,945)	(82,923)	155,337	140,005	2,937
Non-operating income	151,720	29,844	120,952	57,713	142,153	27,511	15,217	257,971	249,894	163,393
Other expenses	7,669	8,899	8,457	8,849	9,806	9,040	8,227	8,032	8,426	16,009
Non-operating revenue/(loss)	144,051	20,945	112,495	48,864	132,348	18,471	6,990	249,938	241,468	147,384
Change in net position	\$ 416,896	\$ 358,751	\$ 248,188	\$ 235,542	\$ 294,795	\$ 348,957	\$ 14,867	\$ 295,557	\$ 415,611	\$ 729,156

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

Fidelity & Crime

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 301,670	\$ 301,739	\$ 298,819	\$ 299,304	\$ 300,405	\$ 297,756	\$ 276,779	\$ 279,315	\$ 295,818	\$ 290,763
Ceded reinsurance	42,808	41,608	44,828	-	-	-	-	-	-	-
Net premiums	258,862	260,131	253,991	299,304	300,405	297,756	276,779	279,315	295,818	290,763
Miscellaneous Income, net	-	-	65	165	93	742	580	1,007	1,169	1,209
Program administrative costs	64,870	64,769	48,640	56,332	60,274	56,302	57,273	62,944	59,819	55,821
Provision for loss & LAE	604,626	(118,984)	7,512	78,298	(7,109)	201,002	112,023	(10,095)	5,322	(99,583)
Operating revenue/(loss)	(410,634)	314,346	197,905	164,839	247,333	41,194	108,064	227,472	231,846	335,734
Investment income	48,225	46,328	41,406	48,848	54,841	53,846	50,876	54,038	56,676	48,254
Unrealized gain/(loss)	25,265	(32,083)	18,386	(17,484)	28,716	(38,328)	(42,987)	81,787	72,209	883
Non-operating income	73,490	14,245	59,792	31,365	83,557	15,519	7,888	135,825	128,885	49,137
Other expenses	3,715	4,248	4,181	4,809	5,764	5,099	4,265	4,229	4,346	4,814
Non-operating revenue/(loss)	69,775	9,997	55,611	26,556	77,794	10,419	3,624	131,596	124,539	44,323
Change in net position	\$ (340,859)	\$ 324,343	\$ 253,516	\$ 191,395	\$ 325,127	\$ 51,613	\$ 111,687	\$ 359,068	\$ 356,385	\$ 380,057

Excess Liability

Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ 3,986,299	\$ 3,861,553	\$ 3,768,714	\$ 3,720,306	\$ 3,292,744	\$ 3,130,211	\$ 2,990,185	\$ 2,645,317	\$ 2,440,877	\$ 2,552,869
Ceded reinsurance	3,133,582	3,651,488	3,531,627	3,515,457	3,014,197	2,578,563	2,450,333	1,911,469	1,777,036	1,847,624
Net premiums	852,717	210,065	237,087	204,849	278,547	551,648	539,852	733,848	663,841	705,245
Miscellaneous Income, net	-	-	61	113	86	1,374	1,132	2,645	2,623	2,933
Program administrative costs	142,076	34,279	39,961	32,568	48,569	92,098	98,440	147,262	119,935	121,845
Provision for loss & LAE	(35)	159,776	(71,476)	-	-	-	-	150,791	-	-
Operating revenue/(loss)	710,676	16,010	268,663	172,394	230,065	460,924	442,544	438,440	546,529	586,333
Investment income	158,858	37,411	38,651	33,433	50,851	99,760	99,232	141,975	127,187	117,040
Unrealized gain/(loss)	83,226	(25,908)	17,162	(11,966)	26,627	(71,009)	(83,846)	214,881	162,044	2,142
Non-operating income	242,084	11,503	55,813	21,466	77,478	28,751	15,386	356,856	289,231	119,182
Other expenses	12,237	3,430	3,902	3,291	5,344	9,448	8,318	11,111	9,752	11,677
Non-operating revenue/(loss)	229,847	8,073	51,910	18,175	72,133	19,304	7,068	345,745	279,479	107,505
Change in net position	\$ 940,523	\$ 24,083	\$ 320,573	\$ 190,570	\$ 302,198	\$ 480,228	\$ 449,612	\$ 784,184	\$ 826,008	\$ 693,838

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

Cyber

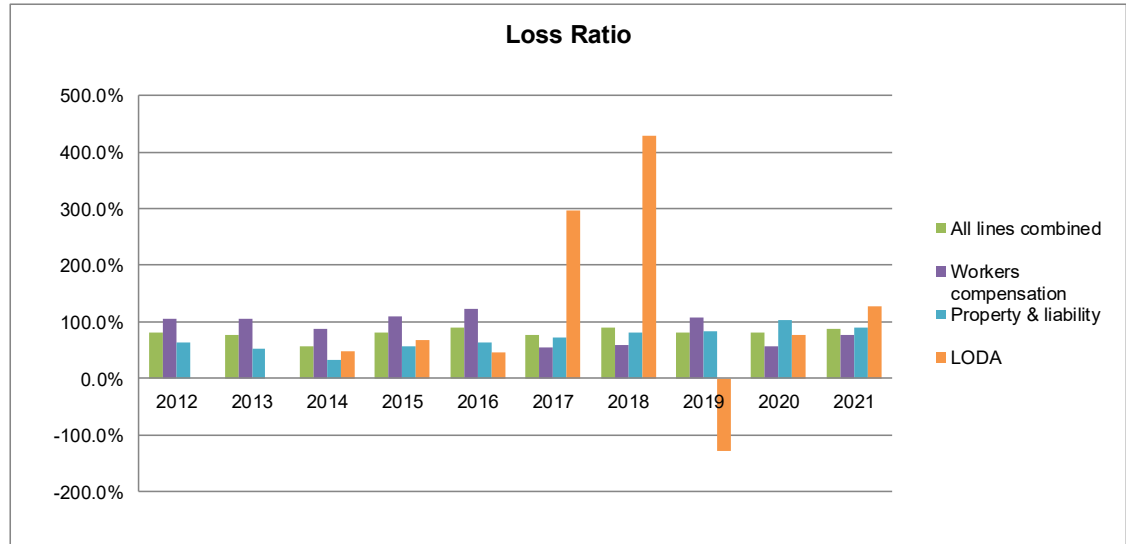
Fiscal Year ending June 30,	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Written premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,772	\$ 369,560	\$ 436,175	\$ 655,797
Ceded reinsurance	-	-	-	-	-	-	68,712	85,136	85,866	120,514
Net premiums	-	-	-	-	-	-	250,060	284,424	350,309	535,283
Miscellaneous Income, net	-	-	-	-	-	-	524	1,025	1,384	2,226
Program administrative costs	-	-	-	-	-	-	50,240	124,052	106,016	127,981
Provision for loss & LAE	-	-	-	-	-	-	150,985	200,577	277,020	(350,000)
Operating revenue/(loss)	-	-	-	-	-	-	49,360	(39,181)	(31,343)	759,528
Investment income	-	-	-	-	-	-	45,964	55,026	67,117	88,834
Unrealized gain/(loss)	-	-	-	-	-	-	(38,838)	83,283	85,511	1,626
Non-operating income	-	-	-	-	-	-	7,127	138,310	152,628	90,460
Other expenses	-	-	-	-	-	-	3,853	4,307	5,146	8,863
Non-operating revenue/(loss)	-	-	-	-	-	-	3,274	134,003	147,482	81,597
Change in net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,634	\$ 94,823	\$ 116,139	\$ 841,125

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

Loss Ratio

Calculation: Provision for loss & LAE / Net Premiums

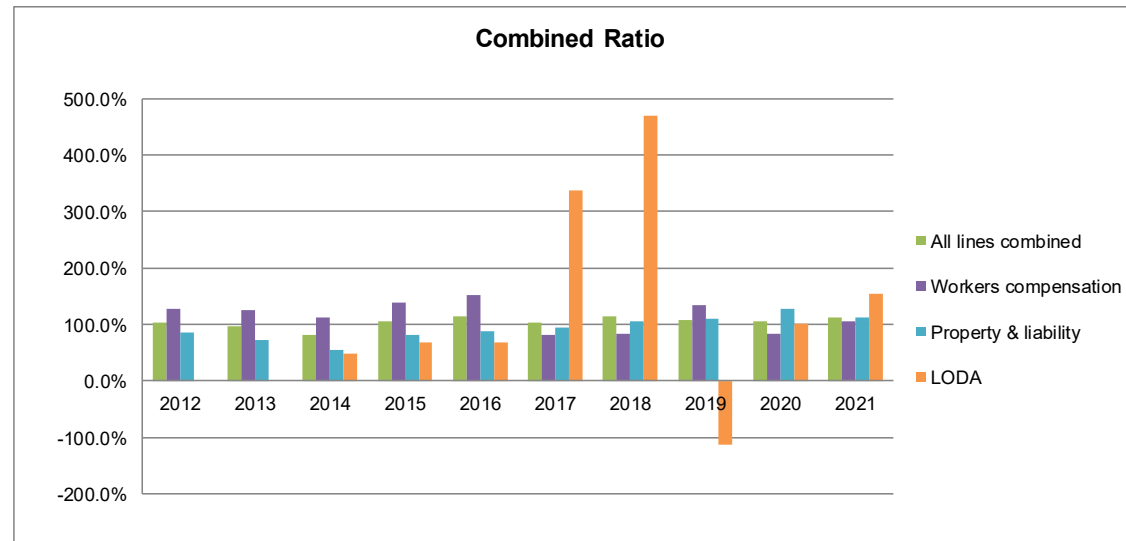
Fiscal Year ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All lines combined	82.11%	75.75%	57.14%	80.68%	89.38%	77.03%	89.07%	82.19%	80.56%	87.68%
Workers compensation	105.47%	104.47%	86.92%	110.57%	123.66%	54.49%	59.06%	108.51%	56.30%	76.73%
Property & liability	64.48%	51.62%	32.90%	57.76%	64.29%	72.60%	80.38%	84.28%	103.12%	90.68%
LODA			47.45%	67.76%	46.29%	296.02%	428.92%	-127.83%	77.14%	128.21%



Combined Ratio

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

Fiscal Year ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All lines combined	103.78%	97.06%	80.54%	105.76%	115.20%	103.10%	115.11%	108.08%	105.70%	112.68%
Workers compensation	127.40%	126.14%	112.03%	137.94%	151.18%	82.28%	84.81%	135.47%	83.04%	105.13%
Property & liability	85.97%	72.75%	55.11%	81.35%	89.03%	95.64%	105.16%	110.41%	127.04%	112.90%
LODA			47.45%	67.76%	68.04%	337.07%	469.69%	-111.79%	100.86%	153.37%

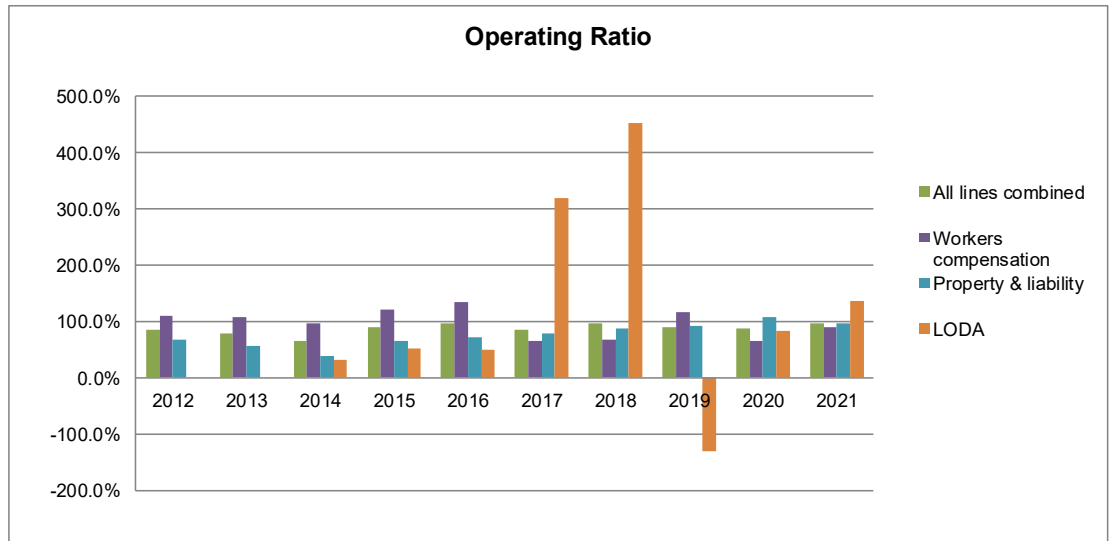


Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

Operating Ratio

Calculation: Combined Ratio - (Investments / Net Premiums)

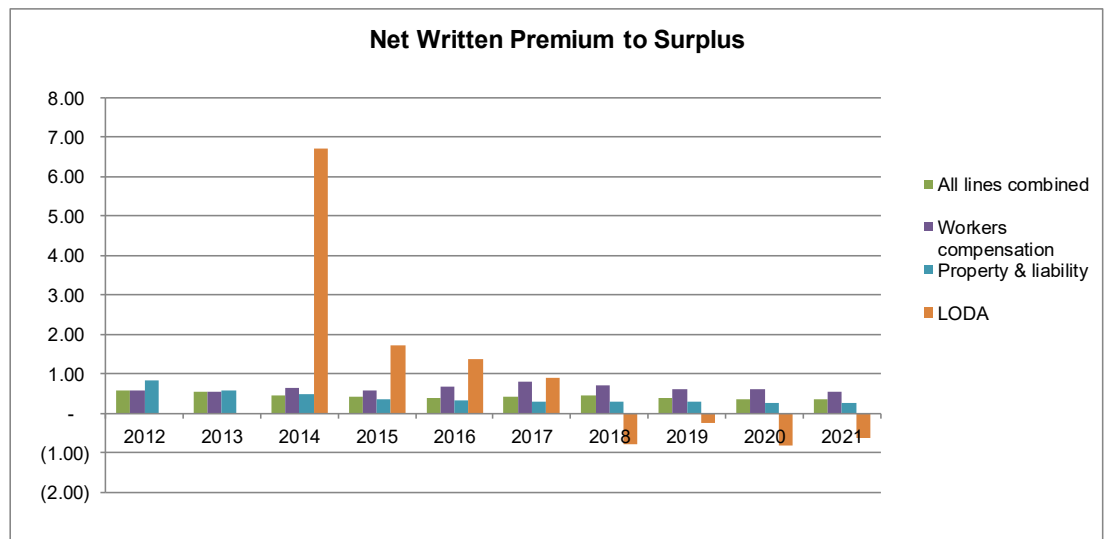
Fiscal Year ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All lines combined	85.15%	79.25%	64.24%	89.44%	96.95%	85.02%	96.73%	88.73%	86.54%	96.08%
Workers compensation	108.77%	108.33%	95.72%	121.62%	132.93%	64.20%	66.43%	116.12%	63.88%	88.54%
Property & liability	67.34%	54.94%	38.81%	65.03%	70.78%	77.56%	86.78%	91.07%	107.88%	96.31%
LODA			31.14%	51.44%	49.78%	318.99%	451.30%	-131.14%	81.70%	136.78%



Net written premium to surplus

Calculation: Net Premiums / Ending Net Position

Fiscal Year ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All lines combined	0.59	0.56	0.45	0.43	0.40	0.41	0.44	0.38	0.35	0.35
Workers compensation	0.58	0.55	0.63	0.56	0.66	0.79	0.70	0.62	0.61	0.55
Property & liability	0.82	0.59	0.48	0.36	0.31	0.28	0.28	0.29	0.26	0.28
LODA			6.70	1.71	1.38	0.91	(0.80)	(0.24)	(0.81)	(0.64)

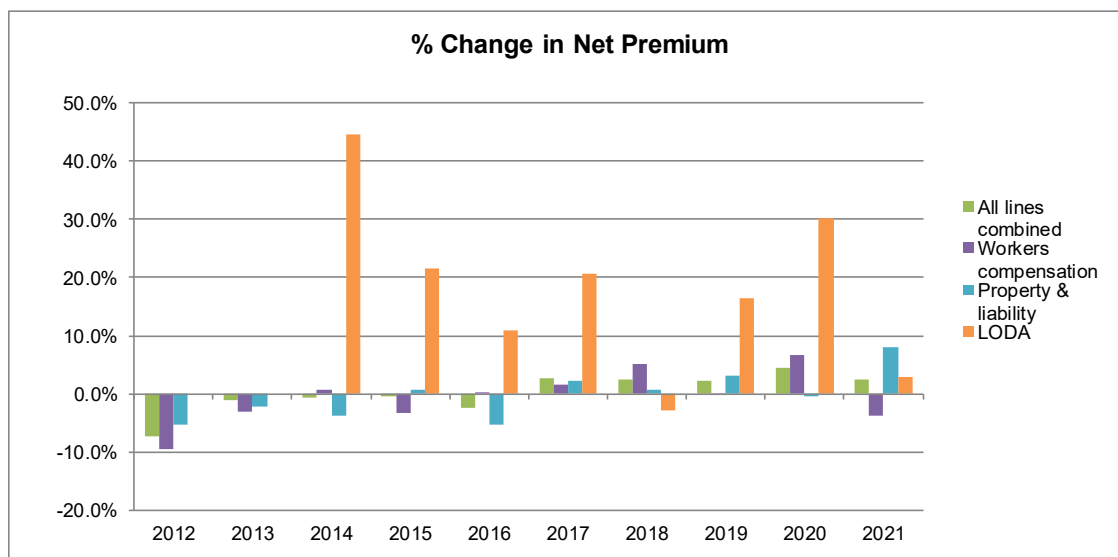


Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

Change in net written premium

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

Fiscal Year ending June 30,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All lines combined	-7.31%	-1.15%	-0.72%	-0.39%	-2.33%	2.78%	2.38%	2.33%	4.49%	2.42%
Workers compensation	-9.43%	-3.17%	0.59%	-3.40%	0.08%	1.48%	5.08%	-0.16%	6.71%	-3.72%
Property & liability	-5.35%	-2.21%	-3.69%	0.73%	-5.29%	2.27%	0.68%	3.04%	-0.37%	7.94%
LODA			44.62%	21.52%	10.97%	20.65%	-2.82%	16.54%	30.10%	2.80%



Virginia Risk Sharing Association and Subsidiaries

Total Incurred Losses by Line of Coverage

	Auto Liability	Auto Physical	Boiler & Machinery	Fidelity & Crime	General Liability	Property/Inland Marine	Public Officials/ Law Enforcement	CYBER	LODA	Workers Compensation	Total All Lines
Total Incurred Losses as of June 30,											
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
2011	68,361,956	19,025,467	1,765,393	672,926	38,078,949	29,956,208	38,300,000	-	-	377,720,189	573,881,088
% Change from Prior Year by Line											
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%	78.57%	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%	-	91.55%	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%
2012	5.92%	7.94%	5.19%	65.40%	0.90%	7.96%	7.05%	-	-	5.84%	5.85%
Total Net Paid Losses as of June 30,											
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
2011	52,799,157	18,724,649	1,584,110	542,011	24,605,463	27,125,386	22,994,428	-	-	283,320,697	431,695,901
% Change from Prior Year by Line											
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%	269.20%	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%	-	146.93%	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%
2012	8.35%	8.51%	10.99%	34.02%	8.60%	12.95%	8.14%	-	-	4.62%	6.24%
Total Outstanding Losses as of June 30,											
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
2011	15,562,799	300,818	181,283	130,915	13,473,486	2,830,822	15,305,572	-	-	94,399,492	142,185,187
% Change from Prior Year by Line											
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%	39.42%	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%	-	89.37%	-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%
2012	-2.35%	-27.67%	-45.44%	195.32%	-13.17%	-39.91%	5.41%	-	-	9.50%	4.65%

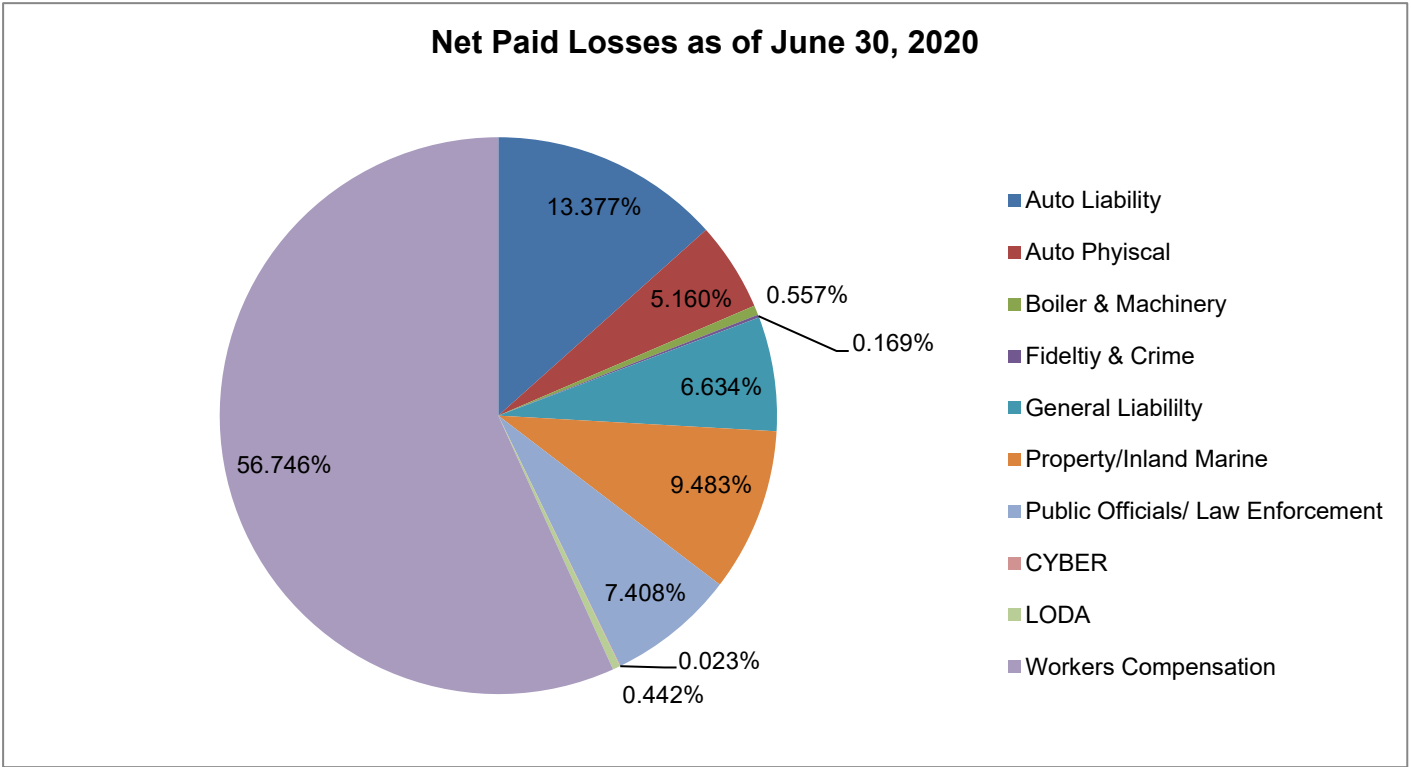
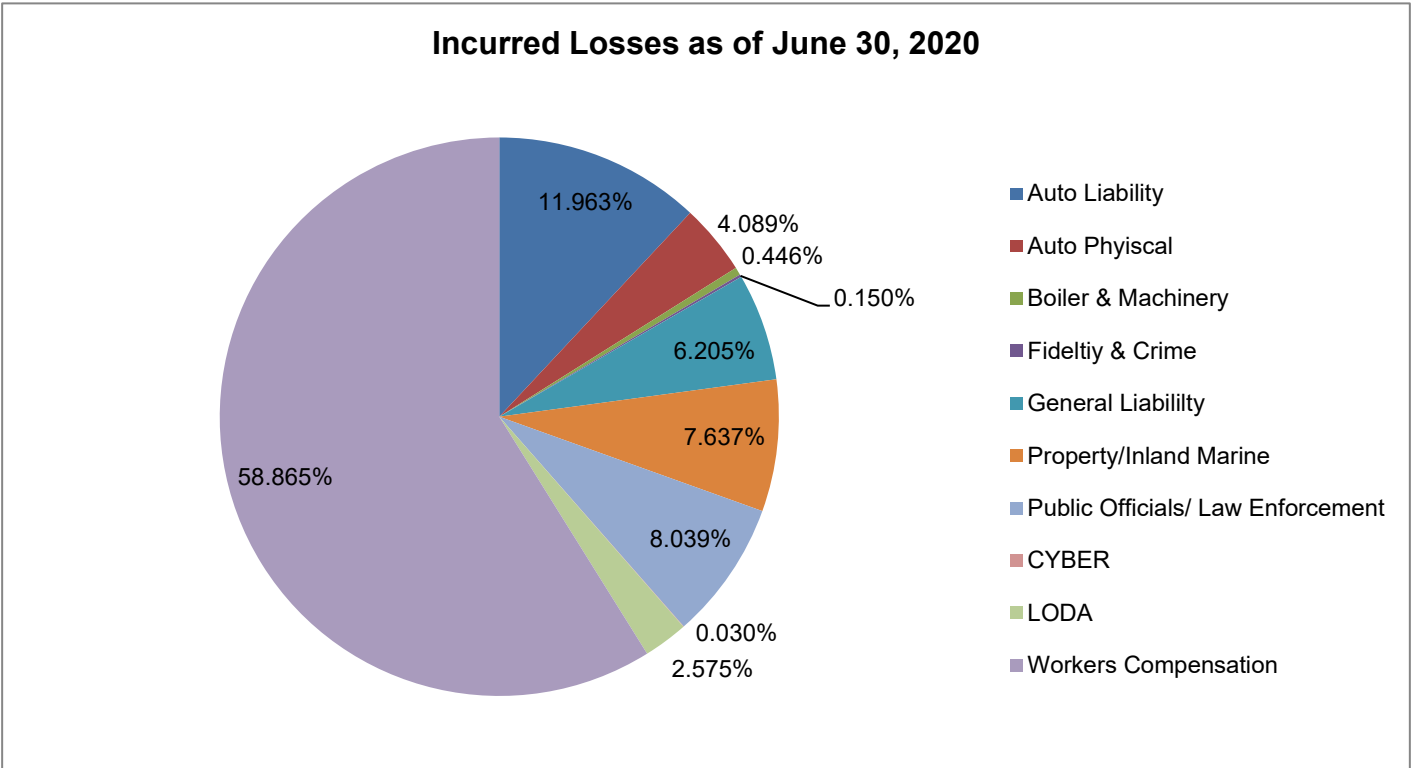
Total incurred losses = Total outstanding losses + Total net paid losses

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

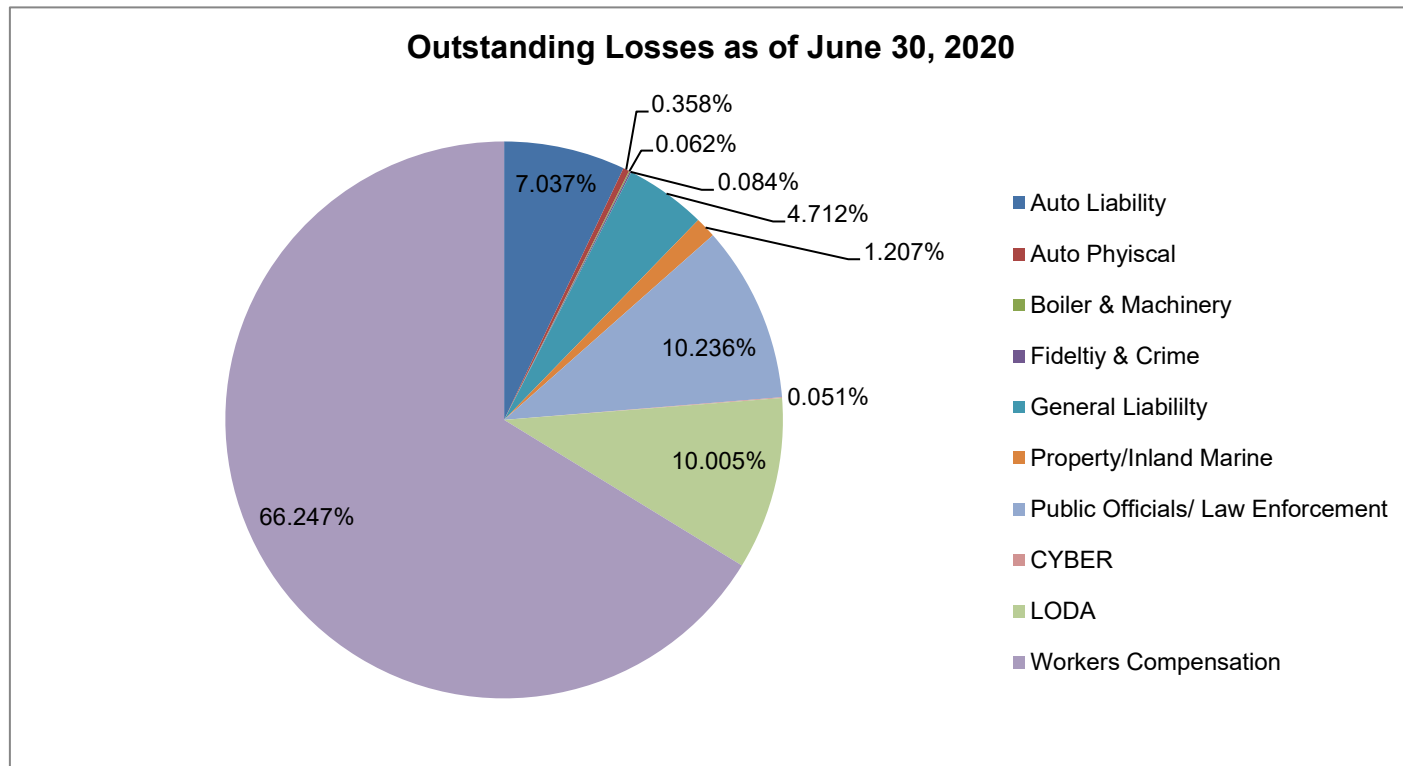
Total outstanding losses = Case reserves on individual claims + incurred but not reported reserves as indicated by actuary

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

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



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



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

WORKERS COMPENSATION										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 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	\$ 21,884,810
Ceded	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	1,966,676
Net earned	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	19,918,134
2. Initial estimated total incurred losses										
Incurred	\$ 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	\$ 20,519,485
Ceded	635,040	-	3,078,146	249,392	-	178,739	-	314,438	-	269,485
Net incurred	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	20,250,000
3. Paid losses (cumulative)										
Policy year	\$ 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	\$ 3,673,834
One year later		5,873,828	8,659,469	8,978,307	8,815,542	7,385,864	8,497,761	7,727,166	8,423,107	7,806,967
Two years later			9,308,626	9,681,264	10,194,407	9,288,792	9,791,484	9,300,495	10,220,089	9,839,912
Three years later				10,060,514	10,463,830	10,013,751	10,062,087	10,197,695	11,655,391	11,172,894
Four years later					10,529,531	10,151,866	10,233,482	10,336,571	12,013,509	11,973,001
Five years later						10,138,264	10,284,472	10,424,071	12,269,879	12,278,538
Six years later							10,363,525	10,604,137	12,462,290	12,567,085
Seven years later								10,679,492	12,558,910	12,591,561
Eight years later									12,636,648	12,735,938
Nine years later										12,787,104
4. Re-estimated ceded losses	\$ 635,040	\$ -	\$ 2,335,115	\$ -	\$ -	\$ 31,348	\$ -	\$ -	\$ 292,998	\$ 1,067,423
5. Re-estimated total incurred losses										
Policy year	\$ 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	\$ 20,250,000
One year later		18,750,000	21,325,000	20,350,000	20,650,000	21,250,000	20,350,000	19,600,000	20,000,000	20,575,000
Two years later			18,350,000	18,000,000	19,400,000	19,800,000	18,950,000	19,100,000	19,550,000	19,450,000
Three years later				17,250,000	17,950,000	18,300,000	18,050,000	18,125,000	19,400,000	19,490,000
Four years later					17,450,000	17,475,000	17,300,000	17,175,000	18,900,000	19,450,000
Five years later						16,825,000	17,075,000	16,425,000	18,200,000	18,700,000
Six years later							16,325,000	16,450,000	17,950,000	18,275,000
Seven years later								15,700,000	17,675,000	18,025,000
Eight years later									17,425,000	17,800,000
Nine years later										17,425,000
6. Increase (decrease) in total incurred losses from end of policy year		(2,650,000)	\$ (7,700,000)	\$ (3,600,000)	\$ (3,500,000)	\$ (7,675,000)	\$ (4,925,000)	\$ (4,050,000)	\$ (3,825,000)	\$ (2,825,000)

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

<u>LODA</u>												
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
1. Premiums												
Earned	\$	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	\$ 367,550	
Ceded			-	-	-	-	-	-	-	-	-	
Net earned		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	367,550	
2. Initial estimated total incurred losses												
Incurred	\$	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		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	-	
3. Paid losses (cumulative)												
Policy year	\$	138,739	\$ 54,406	\$ 110,345	\$ 219,524	\$ 23,531	\$ 45,023	\$ 83,348	\$ 5,762	\$ 6,502	\$ -	
One year later			170,289	198,021	458,625	185,197	54,490	135,837	7,190.00	55,589	-	
Two years later				253,725	654,538	346,940	94,113	168,438	8,843.00	83,640	-	
Three years later					862,649	502,641	130,813	223,132	10,031.00	115,073	-	
Four years later						661,258	151,663	273,097	38,231	140,963	-	
Five years later							187,738	322,686	66,431	221,220	-	
Six years later								373,758	93,527	298,113	-	
Seven years later									121,379	360,458	-	
Eight years later										427,591	-	
Nine years later											-	
4. Re-estimated ceded losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5. Re-estimated total incurred losses												
Policy year	\$	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			2,657,101	2,191,747	4,905,477	6,775,214	1,312,126	1,817,715	174,653.00	1,568,478	-	
Two years later				2,453,258	4,753,146	4,912,842	1,232,883	1,714,104	51,729.00	1,652,945	-	
Three years later					5,094,050	4,648,516	1,077,914	1,736,889	271,990.00	1,440,512	-	
Four years later						5,133,925	1,004,319	1,130,925	655,664.00	2,623,152	-	
Five years later							1,107,955	1,018,304	470,804.00	2,737,948	-	
Six years later								1,139,521	448,313	2,157,215	-	
Seven years later									488,340	1,965,255	-	
Eight years later										2,254,728	-	
Nine years later											-	
6. Increase (decrease) in total incurred losses from end of policy year			170,092	\$ 279,180	\$ (1,905,635)	\$ 541,947	\$ 554,907	\$ 24,600	\$ 312,011	\$ 1,214,824	\$ -	

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

COMBINED PROPERTY & LIABILITY										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 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	\$ 27,781,723
Ceded	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	3,947,415
Net earned	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	23,834,308
2. Initial estimated total incurred losses										
Incurred	\$ 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	\$ 26,016,661
Ceded	386,800	9,791,716	53,196	2,315,341	967,328	-	1,900,000	2,436,334	55,813	2,323,807
Net incurred	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	23,692,854
3. Paid losses (cumulative)										
Policy year	\$ 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	\$ 6,361,663
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	9,591,392
Two years later			\$ 16,517,089	\$ 15,645,621	13,772,484	11,342,545	13,929,897	12,254,881	9,684,028	11,847,623
Three years later				\$ 18,706,158	\$ 15,087,454	13,061,293	14,431,969	13,011,272	10,531,373	12,769,635
Four years later					\$ 16,219,467	\$ 14,026,003	15,246,988	14,746,511	11,299,093	13,281,427
Five years later						\$ 14,098,812	\$ 15,523,768	15,124,432	11,645,466	13,560,736
Six years later							\$ 15,890,761	\$ 16,111,048	11,670,378	13,816,640
Seven years later								\$ 16,445,610	\$ 11,682,155	13,940,343
Eight years later									\$ 11,695,109	\$ 13,941,608
Nine years later										\$ 13,923,394
4. Re-estimated ceded losses	\$ 386,800	\$ 11,309,364	\$ 2,745,027	\$ 3,873,793	\$ 2,436,652	\$ 1,018,948	\$ 1,128,318	\$ 8,271,578	\$ 209,480	\$ 323,524
5. Re-estimated total incurred losses										
Policy year	\$ 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	\$ 23,692,854
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	21,191,401
Two years later			24,487,521	23,953,843	20,614,931	18,032,078	19,632,339	18,411,366	15,447,056	18,910,263
Three years later				23,972,884	19,353,631	16,652,390	17,827,598	17,586,031	14,296,953	17,233,219
Four years later					19,407,389	16,130,471	17,969,049	19,049,602	13,150,029	16,780,329
Five years later						15,632,874	17,741,311	16,572,513	12,399,718	15,220,912
Six years later							17,407,788	17,177,418	11,959,430	14,636,035
Seven years later								17,022,243	11,682,195	14,254,756
Eight years later									11,858,873	13,983,675
Nine years later										13,966,193
6. Increase (decrease) in total incurred losses from end of policy year		(366,481)	\$ (1,188,191)	\$ (1,239,064)	\$ (3,467,611)	\$ (4,067,126)	\$ (2,992,212)	\$ (4,427,757)	\$ (9,041,127)	\$ (9,726,661)

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

GENERAL LIABILITY										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 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	\$ 3,729,596
Ceded	81,070	-	-	-	-	-	-	-	-	-
Net earned	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	3,729,596
2. Initial estimated total incurred losses										
Incurred	\$ 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	\$ 4,000,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	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	4,000,000
3. Paid losses (cumulative)										
Policy year	\$ 1,163,113	\$ 1,021,315	\$ 1,024,550	\$ 903,473	\$ 1,048,763	\$ 1,136,335	\$ 895,614	\$ 885,529	\$ 1,003,877	\$ 825,548
One year later		1,671,978	1,446,917	1,499,235	1,537,701	1,655,629	1,175,828	1,533,931	1,403,251	1,230,619
Two years later			1,795,785	1,819,099	1,971,281	2,069,185	1,632,747	1,677,702	1,572,252	1,571,262
Three years later				1,997,708	2,071,828	2,277,227	1,818,193	1,870,556	1,648,562	1,766,396
Four years later					2,399,666	2,579,803	1,947,725	2,173,564	1,716,489	1,852,605
Five years later						2,581,668	2,017,293	2,390,100	1,752,448	2,083,681
Six years later							2,169,018	2,407,506	1,774,695	2,219,465
Seven years later								2,740,057	1,777,271	2,234,832
Eight years later									1,777,271	2,234,832
Nine years later										2,234,832
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 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	\$ 4,000,000
One year later		3,500,000	3,600,000	3,500,000	3,750,000	3,850,000	3,000,000	3,500,000	3,250,000	3,500,000
Two years later			4,000,000	3,200,000	3,500,000	3,500,000	3,100,000	3,000,000	3,000,000	3,250,000
Three years later				3,000,000	3,000,000	3,500,000	2,800,000	3,100,000	2,500,000	2,750,000
Four years later					3,150,000	3,200,000	2,500,000	3,150,000	2,250,000	2,850,000
Five years later						3,000,000	2,500,000	3,150,000	2,200,000	2,600,000
Six years later							2,450,000	3,050,000	2,000,000	2,450,000
Seven years later								3,000,000	1,777,271	2,234,832
Eight years later									1,777,271	2,234,832
Nine years later										2,234,832
6. Increase (decrease) in total incurred losses from end of policy year		100,000	\$ 500,000	\$ (1,250,000)	\$ (1,100,000)	\$ (850,000)	\$ (1,050,000)	\$ (600,000)	\$ (1,722,729)	\$ (1,765,168)

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

PUBLIC OFFICIALS/LAW ENFORCEMENT											
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
1. Premiums											
Earned	\$ 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	\$ 4,080,002	
Ceded	-	-	-	-	-	-	-	-	-	-	
Net earned	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	4,080,002	
2. Initial estimated total incurred losses											
Incurred	\$ 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	\$ 7,928,571	
Ceded	-	-	-	-	-	-	-	-	-	1,928,571	
Net incurred	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	6,000,000	
3. Paid losses (cumulative)											
Policy year	\$ 370,068	\$ 204,471	\$ 191,096	\$ 488,303	\$ 300,619	\$ 212,685	\$ 51,393	\$ 182,431	\$ 145,457	\$ 160,678	
One year later		1,293,900	1,046,015	1,565,014	996,086	666,589	443,380	844,926	617,304	736,984	
Two years later			1,853,592	3,508,560	1,708,917	1,724,554	2,397,590	1,417,570	969,295	1,392,773	
Three years later				4,377,710	2,324,213	2,679,700	2,565,038	1,660,779	1,695,649	1,821,727	
Four years later					2,955,029	3,210,431	3,112,390	2,009,152	2,379,835	2,243,067	
Five years later						3,265,165	3,246,168	2,164,326	2,496,972	2,302,946	
Six years later							3,465,737	3,133,685	2,499,603	2,436,984	
Seven years later								3,135,616	2,509,139	2,443,146	
Eight years later									2,522,626	2,442,713	
Nine years later										2,443,316	
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,808,530	\$ -	\$ -	
5. Re-estimated total incurred losses											
Policy year	\$ 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	\$ 6,000,000	
One year later		6,400,000	5,400,000	5,558,460	5,661,948	3,800,000	3,500,000	3,750,000	3,750,000	5,250,000	
Two years later			5,200,000	6,700,000	4,488,400	4,411,547	4,600,000	3,750,000	3,250,000	3,750,000	
Three years later				6,700,000	4,296,989	3,933,977	3,665,387	3,000,000	3,350,000	3,500,000	
Four years later					4,311,985	4,231,631	4,672,985	4,926,103	3,100,000	3,350,000	
Five years later						4,072,787	4,701,657	2,569,224	2,593,863	3,100,000	
Six years later							4,596,495	3,424,288	2,563,309	2,804,860	
Seven years later								3,319,113	2,509,139	2,699,392	
Eight years later									2,675,069	2,442,713	
Nine years later										2,486,062	
6. Increase (decrease) in total incurred losses from end of policy year		300,000	\$ 200,000	\$ 1,038,052	\$ 111,985	\$ 72,787	\$ 1,096,495	\$ (1,180,887)	\$ (2,324,931)	\$ (3,513,938)	

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

AUTOMOBILE										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 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	\$ 9,403,243
Ceded		-	-	-	-	-	-	-	-	-
Net earned	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	9,403,243
2. Initial estimated total incurred losses										
Incurred	\$ 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	\$ 8,740,129
Ceded	386,800	64,716	36,196	1,509,000	-	-	-	1,111,500	55,813	147,275
Net incurred	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	8,592,854
3. Paid losses (cumulative)										
Policy year	\$ 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	\$ 2,564,863
One year later		4,819,498	5,523,981	4,708,141	3,737,665	4,389,227	3,815,488	4,925,406	3,550,702	3,217,760
Two years later			7,386,973	5,122,207	4,742,899	4,714,299	4,775,246	5,726,603	5,040,178	4,215,330
Three years later				7,207,175	5,376,142	5,211,329	4,929,925	6,115,020	5,095,601	4,482,235
Four years later					5,547,273	5,342,469	5,066,889	7,216,800	5,110,989	4,551,144
Five years later						5,353,254	5,141,753	7,223,011	5,299,331	4,554,990
Six years later							5,141,170	7,222,862	5,299,365	4,557,019
Seven years later								7,222,942	5,299,030	4,588,584
Eight years later									5,298,497	4,603,882
Nine years later										4,603,265
4. Re-estimated ceded losses	\$ 386,800	\$ 175,179	\$ 2,702,100	\$ 1,719,169	\$ -	\$ 106,632	\$ 220,574	\$ 4,414,664	\$ 55,813	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 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	\$ 8,592,854
One year later		8,114,045	9,847,483	880,772	7,227,666	7,603,261	7,228,073	8,495,223	6,990,288	7,366,401
Two years later			9,643,218	8,726,221	7,135,212	7,062,516	6,675,377	8,048,603	6,600,736	6,907,870
Three years later				9,106,960	6,722,608	6,314,693	6,155,249	8,023,268	6,100,633	6,155,826
Four years later					6,612,751	5,805,539	5,649,403	7,610,736	5,578,709	5,905,826
Five years later						5,655,549	5,393,525	7,506,293	5,489,472	4,901,793
Six years later							5,244,258	7,356,135	5,299,405	4,748,002
Seven years later								7,356,135	5,299,070	4,646,749
Eight years later									5,309,818	4,645,949
Nine years later										4,603,316
6. Increase (decrease) in total incurred losses from end of policy year		(785,955)	(950,651)	(93,040)	(1,587,249)	(2,694,451)	(2,755,742)	(918,865)	(2,740,182)	(3,989,538)

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

PROPERTY										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 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	\$ 9,579,544
Ceded	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	3,751,356
Net earned	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	5,828,188
2. Initial estimated total incurred losses										
Incurred	\$ 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	\$ 4,497,961
Ceded	-	9,710,000	-	690,757	967,328	-	1,900,000	406,809	-	247,961
Net incurred	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	4,250,000
3. Paid losses (cumulative)										
Policy year	\$ 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	\$ 2,542,615
One year later		6,440,007	4,917,287	4,774,833	4,751,780	2,469,904	4,841,981	2,889,530	1,877,488	4,122,838
Two years later			4,975,723	4,877,479	5,097,805	2,510,581	4,753,551	3,113,992	1,878,939	4,363,596
Three years later				4,844,126	5,063,690	2,569,111	4,742,610	3,045,903	1,859,033	4,315,941
Four years later					5,065,918	2,569,374	4,739,694	3,034,232	1,854,863	4,260,108
Five years later						2,574,799	4,739,164	3,034,232	1,845,063	4,261,616
Six years later							4,738,358	3,034,232	1,845,063	4,262,011
Seven years later								3,034,232	1,845,063	4,280,796
Eight years later									1,845,063	4,280,796
Nine years later										4,280,796
4. Re-estimated ceded losses	\$ -	\$ 11,109,185	\$ -	\$ 1,967,372	\$ 2,436,652	\$ -	\$ 907,744	\$ 265,553	\$ -	\$ 323,524
5. Re-estimated total incurred losses										
Policy year	\$ 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	\$ 4,250,000
One year later		6,910,381	5,350,000	5,114,167	5,400,000	3,000,000	5,000,000	3,750,000	2,500,000	4,550,000
Two years later			5,104,050	4,996,317	5,211,475	2,700,000	4,850,000	3,250,000	2,250,000	4,500,000
Three years later				4,883,456	5,082,453	2,579,795	4,800,000	3,100,000	2,000,000	4,400,000
Four years later					5,081,072	2,569,375	4,739,699	3,050,000	1,900,000	4,300,000
Five years later						2,580,612	4,739,167	3,034,232	1,845,063	4,261,616
Six years later							4,740,556	3,034,232	1,845,063	4,262,011
Seven years later								3,034,232	1,845,063	4,280,796
Eight years later									1,845,063	4,280,796
Nine years later										4,280,796
6. Increase (decrease) in total incurred losses from end of policy year		1,160,381	\$ (627,793)	\$ (516,544)	\$ (918,928)	\$ (669,388)	\$ (259,444)	\$ (1,715,768)	\$ (2,154,937)	\$ 30,796

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

BOILER & MACHINERY										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 1,134,271	\$ 998,235	\$ 911,528	\$ 884,471	\$ 913,712	\$ 867,745	\$ 811,366	\$ 771,354	\$ 730,566	\$ 687,668
Ceded		424,681	381,030	350,559	385,867	356,676	260,629	257,559	185,574	153,251
Net earned	1,134,271	573,554	530,498	533,912	527,845	511,069	550,737	513,795	544,992	534,417
2. Initial estimated total incurred losses										
Incurred	\$ 300,000	\$ 467,000	\$ 517,000	\$ 515,584	\$ 125,000	\$ 150,000	\$ 300,000	\$ 1,168,025	\$ 175,000	\$ 200,000
Ceded	-	17,000	17,000	115,584	-	-	-	918,025	-	-
Net incurred	300,000	450,000	500,000	400,000	125,000	150,000	300,000	250,000	175,000	200,000
3. Paid losses (cumulative)										
Policy year	\$ 170,476	\$ 145,626	\$ 208,386	\$ 176,299	\$ 2,561	\$ 33,016	\$ 188,147	\$ 141,360	\$ 80,497	\$ 72,466
One year later		317,055	395,960	256,305	129,845	133,015	281,962	219,834	196,820	82,124
Two years later			437,127	256,305	129,845	133,015	281,962	312,763	196,320	102,393
Three years later				256,305	129,845	133,015	281,962	312,763	196,320	102,393
Four years later					129,845	133,015	281,962	312,763	196,320	102,393
Five years later						133,015	281,962	312,763	196,320	102,393
Six years later							281,962	312,763	196,320	102,393
Seven years later								312,763	196,320	102,393
Eight years later									196,320	102,393
Nine years later										102,393
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ 115,584	\$ -	\$ 912,316	\$ -	\$ 782,831	\$ 153,667	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 300,000	\$ 450,000	\$ 500,000	\$ 400,000	\$ 125,000	\$ 150,000	\$ 300,000	\$ 250,000	\$ 175,000	\$ 200,000
One year later		317,055	395,961	256,305	129,845	133,680	300,000	225,000	225,000	125,000
Two years later			437,127	256,305	129,845	133,015	281,962	312,763	196,320	102,393
Three years later				256,305	129,845	133,015	281,962	312,763	196,320	102,393
Four years later					129,845	133,015	281,962	312,763	196,320	102,393
Five years later						133,015	281,962	312,763	196,320	102,393
Six years later							281,962	312,763	196,320	102,393
Seven years later								312,763	196,320	102,393
Eight years later									196,320	102,393
Nine years later										102,393
6. Increase (decrease) in total incurred losses from end of policy year		(132,945)	\$ (62,873)	\$ (143,695)	\$ 4,845	\$ (16,985)	\$ (18,038)	\$ 62,763	\$ 21,320	\$ (97,607)

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

FIDELITY & CRIME										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums										
Earned	\$ 341,109	\$ 295,818	\$ 279,315	\$ 276,779	\$ 297,756	\$ 300,405	\$ 299,304	\$ 298,819	\$ 301,739	\$ 301,670
Ceded	-	-	-	-	-	-	-	44,828	41,608	42,808
Net earned	341,109	295,818	279,315	276,779	297,756	300,405	299,304	253,991	260,131	258,862
2. Initial estimated total incurred losses										
Incurred	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 175,000	\$ 650,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	100,000	150,000	150,000	150,000	100,000	100,000	100,000	75,000	175,000	650,000
3. Paid losses (cumulative)										
Policy year	\$ -	\$ -	\$ 3,126	\$ -	\$ -	\$ 2,145	\$ 5,422	\$ -	\$ 25,000	\$ 195,493
One year later		22,242	3,126	-	118,703	190,911	89,198	-	25,000	201,067
Two years later			3,126	-	121,736	190,911	88,801	6,251	27,044	202,269
Three years later				1,163	121,736	190,911	94,241	6,251	36,208	280,943
Four years later					121,736	190,911	98,328	-	40,597	272,110
Five years later						190,911	97,428	-	55,332	255,110
Six years later							94,516	-	55,332	238,768
Seven years later								-	55,332	290,592
Eight years later									55,332	276,992
Nine years later										258,792
4. Re-estimated ceded losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 175,000	\$ 650,000
One year later		75,000	100,000	50,000	175,000	250,000	125,000	125,000	150,000	400,000
Two years later			3,126	-	150,000	225,000	125,000	50,000	150,000	400,000
Three years later				1,163	121,736	190,911	125,000	50,000	150,000	325,000
Four years later					121,736	190,911	125,000	-	125,000	272,110
Five years later						190,911	125,000	-	75,000	255,110
Six years later							94,517	-	55,333	268,769
Seven years later								-	55,332	290,594
Eight years later									55,332	276,992
Nine years later										258,794
6. Increase (decrease) in total incurred losses from end of policy year		(75,000)	\$ (146,874)	\$ (148,837)	\$ 21,736	\$ 90,911	\$ (5,483)	\$ (75,000)	\$ (119,668)	\$ (391,206)

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

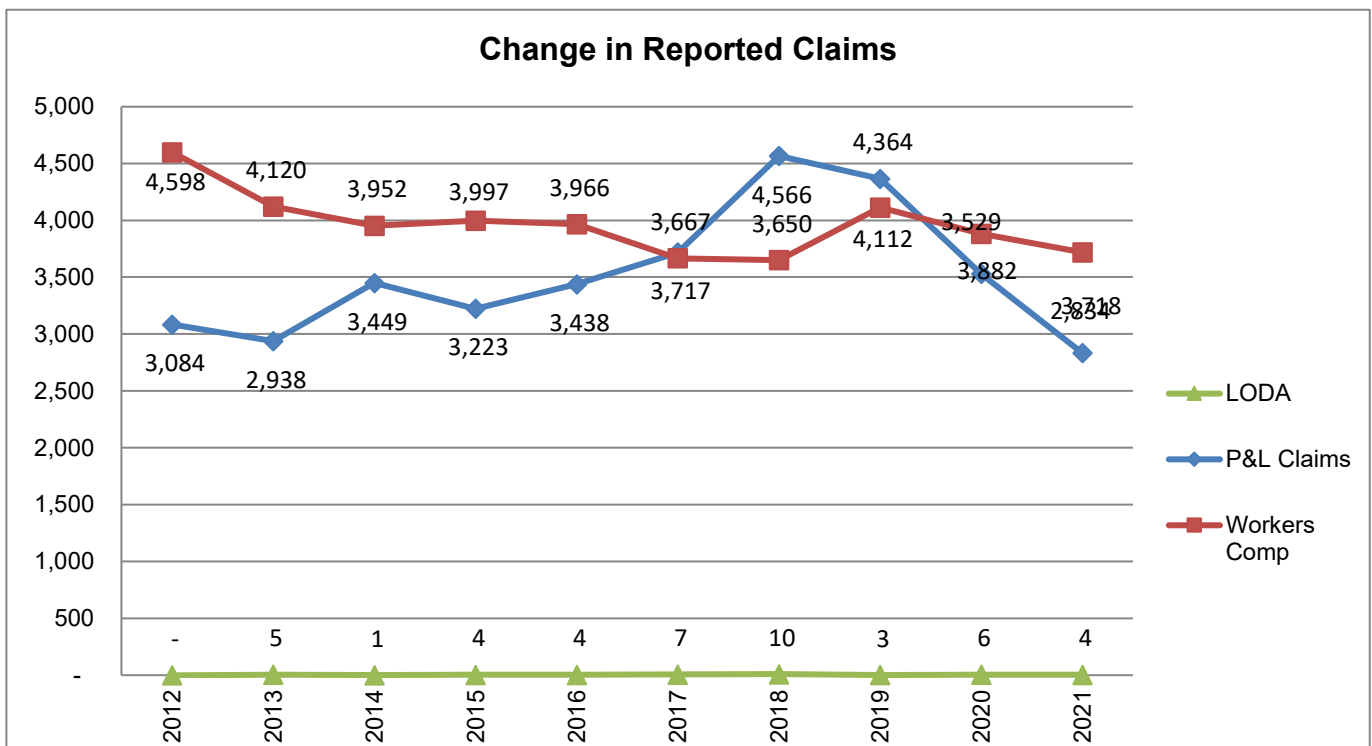
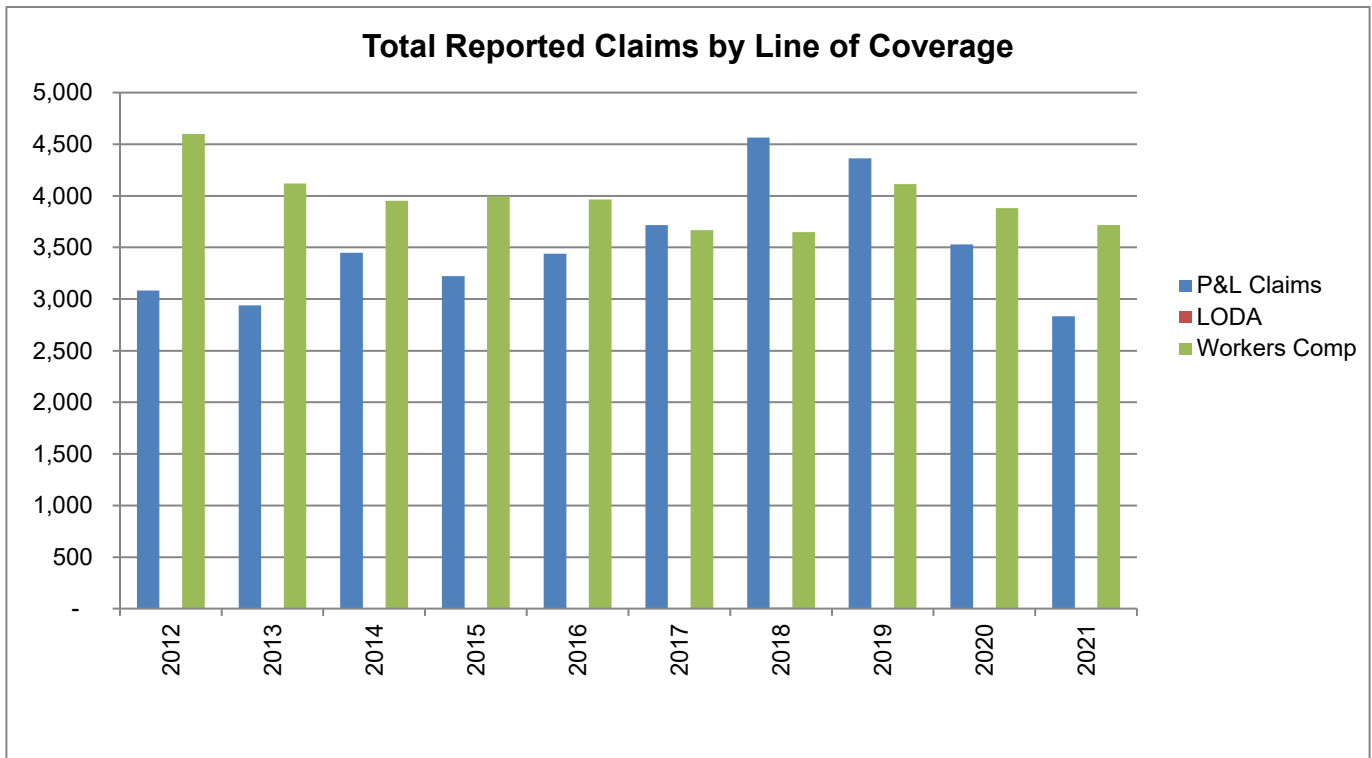
CYBER											
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
1. Premiums											
Earned	\$	748,483	\$ 436,175	\$ 369,560	\$ 318,772						
Ceded		120,514	85,866	85,136	68,712						
Net earned		627,969	350,309	284,424	250,060						
2. Initial estimated total incurred losses											
Incurred	\$	-	\$ 350,000	\$ -	\$ -						
Ceded		-	-	-	-						
Net incurred		-	350,000	200,000	150,000						
3. Paid losses (cumulative)											
Policy year	\$	-	\$ 65,903	\$ 19,708	\$ 1,971						
One year later			82,806	92,286	39,924						
Two years later				64,763	61,971						
Three years later					21,971						
Four years later											
Five years later											
Six years later											
Seven years later											
Eight years later											
Nine years later											
4. Re-estimated ceded losses	\$	-	\$ 25,000	\$ 42,927	\$ 71,668						
5. Re-estimated total incurred losses											
Policy year	\$	-	\$ 350,000	\$ 200,000	\$ 150,000						
One year later			150,000	200,000	150,000						
Two years later				100,000	75,000						
Three years later					25,000						
Four years later											
Five years later											
Six years later											
Seven years later											
Eight years later											
Nine years later											
6. Increase (decrease) in total incurred losses from end of policy year			(200,000)	\$ (100,000)	\$ (125,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

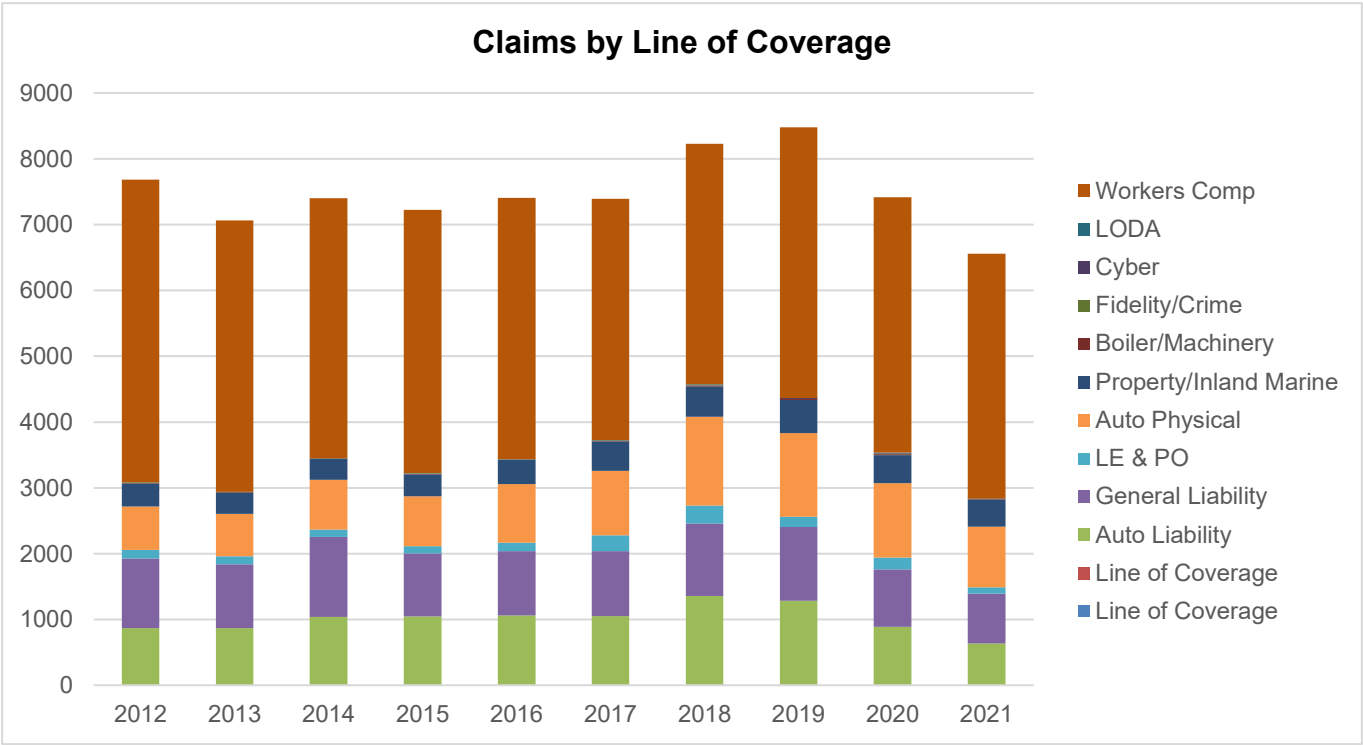
Line of Coverage	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Auto Liability	871	868	1,039	1,047	1,062	1,052	1,360	1,285	891	637
General Liability	1,054	974	1,218	956	977	986	1,101	1,120	869	755
LE & PO	131	118	112	112	132	241	269	159	180	98
Auto Physical	662	647	754	758	888	984	1,352	1,271	1,134	922
Property/Inland Marine	351	319	318	336	372	440	457	500	424	413
Boiler/Machinery	7	9	5	8	4	7	14	15	14	7
Fidelity/Crime	8	3	3	6	3	7	7	3	4	2
Cyber	-	-	-	-	-	-	6	11	13	-
LODA	-	5	1	4	4	7	10	3	6	4
Workers Comp	4,598	4,120	3,952	3,997	3,966	3,667	3,650	4,112	3,882	3,718
Total Claims Reported	7,682	7,063	7,402	7,224	7,408	7,391	8,226	8,479	7,417	6,556
% change		-8.06%	4.80%	-2.40%	2.55%	-0.23%	11.30%	3.08%	-12.53%	-11.61%
overall % change										-14.66%

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

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



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



Virginia Risk Sharing Association and Subsidiaries

Total Ceded Loss Analysis

Policy Year	Ceded Losses - Workers Comp				Ceded Losses - Liability				Ceded Losses - Total			
	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable
1980-81	\$ 228,418	\$ 228,418			\$ -	\$ -	\$ -	\$ -	\$ 228,418	\$ 228,418	\$ -	\$ -
1981-82	-	-			-	-	-	-	-	-	-	-
1982-83	371,472	276,381	4,071	91,020	-	-	-	-	371,472	276,381	4,071	91,020
1983-84	619,052	394,696	50,132	174,224	-	-	-	-	619,052	394,696	50,132	174,224
1984-85	2,080,750	2,064,311	651	15,788	-	-	-	-	2,080,750	2,064,311	651	15,788
1985-86	563,762	453,032	29,768	80,962	-	-	-	-	563,762	453,032	29,768	80,962
1986-87	236,377	180,522	12,030	43,825	-	-	-	-	236,377	180,522	12,030	43,825
1987-88	1,513,814	1,154,219	8,332	351,263	-	-	-	-	1,513,814	1,154,219	8,332	351,263
1988-89	2,082,521	816,206	20,622	1,245,693	-	-	-	-	2,082,521	816,206	20,622	1,245,693
1989-90	1,813,890	1,710,220	2,276	101,394	-	-	-	-	1,813,890	1,710,220	2,276	101,394
90/91 - 99/90	9,510,056	7,278,005	127,882	2,104,169	-	-	-	-	9,510,056	7,278,005	127,882	2,104,169
1990-91	1,248,992	766,132	-	482,860	-	-	-	-	1,248,992	766,132	-	482,860
1991-92	1,095,665	246,965	48,967	799,733	-	-	-	-	1,095,665	246,965	48,967	799,733
1992-93	1,048,672	803,993	1,820	242,859	-	-	-	-	1,048,672	803,993	1,820	242,859
1993-94	2,079,593	952,785	32,225	1,094,583	681,112	681,112	-	-	2,760,705	1,633,897	32,225	1,094,583
1994-95	763,904	468,844	28,305	266,755	69,203	69,203	-	-	833,107	538,047	28,305	266,755
1995-96	1,961,714	656,313	77,211	1,228,190	610,337	610,337	-	-	2,572,051	1,266,650	77,211	1,228,190
1996-97	1,850,814	1,589,533	3,735	257,546	281,118	281,118	-	-	2,131,932	1,870,651	3,735	257,546
1997-98	865,477	776,957	33,884	54,636	209,905	209,905	-	-	1,075,382	986,862	33,884	54,636
1998-99	4,351,129	2,757,775	165,554	1,427,800	374,279	374,279	-	-	4,725,408	3,132,054	165,554	1,427,800
1999-00	1,759,554	448,202	93,879	1,217,473	795,536	795,536	-	-	2,555,090	1,243,738	93,879	1,217,473
90/91 - 99/00	17,025,514	9,467,499	485,580	7,072,435	3,021,488	3,021,488	-	-	20,047,002	12,488,987	485,580	7,072,435
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	-	3,230	1,155,879	4,317,382	4,317,382	-	-	5,476,491	4,317,382	3,230	1,155,879
2006-07	-	-	-	-	2,802,735	2,802,735	-	-	2,802,735	2,802,735	-	-
2007-08	-	-	-	-	3,914,351	3,914,351	-	-	3,914,351	3,914,351	-	-
2008-09	-	-	-	-	913,867	913,867	-	-	913,867	913,867	-	-
2009-10	-	-	-	-	1,625,014	1,625,014	-	-	1,625,014	1,625,014	-	-
2010-11	-	-	-	-	17,271,374	17,271,374	-	-	17,271,374	17,271,374	-	-
2011-12	1,067,423	262,382	-	805,041	323,524	323,524	-	-	1,390,947	585,906	-	805,041
2012-13	292,998	-	42,511	250,487	209,480	209,480	-	-	502,478	209,480	42,511	250,487
2013-14	-	-	-	-	8,271,578	8,271,578	-	-	8,271,578	8,271,578	-	-
2014-15	-	-	-	-	1,128,318	1,128,318	-	-	1,128,318	1,128,318	-	-
2015-16	31,348	31,343	5	-	1,018,949	1,018,949	-	-	1,050,297	1,050,292	5	-
2016-17	-	-	-	-	1,461,652	561,652	417,063	482,937	1,461,652	561,652	417,063	482,937
2017-18	-	-	-	-	3,873,793	2,565,978	291,173	1,016,642	3,873,793	2,565,978	291,173	1,016,642
2018-19	2,335,115	-	49,061	2,286,054	2,745,027	544,096	146,624	2,054,307	5,080,142	544,096	195,685	4,340,361
2019-20	-	-	-	-	11,309,364	5,269,438	4,735,859	1,304,067	11,309,364	5,269,438	4,735,859	1,304,067
2020-21	635,040	-	-	635,040	386,800	-	137,473	249,327	1,021,840	-	137,473	884,367
Grand Totals:	\$ 35,179,794	\$ 18,902,344	\$ 708,269	\$ 15,569,181	\$ 83,605,582	\$ 72,770,110	\$ 5,728,192	\$ 5,107,280	\$ 118,785,377	\$ 91,672,455	\$ 6,436,461	\$ 20,676,461

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

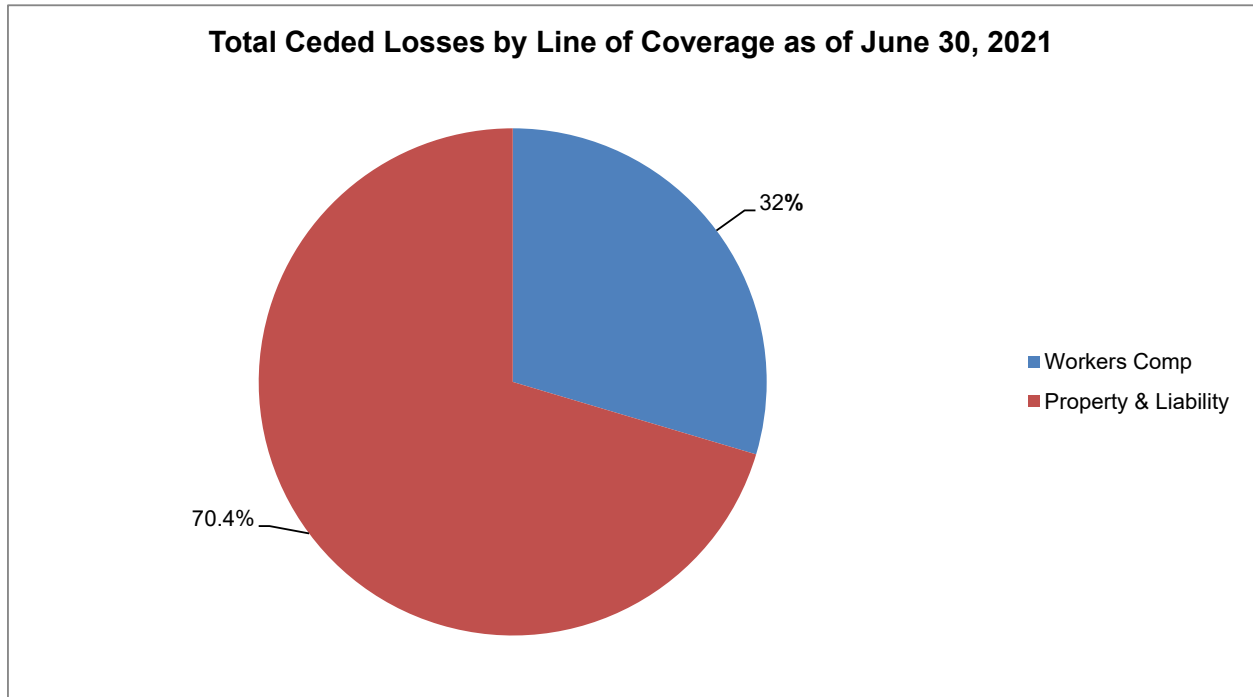
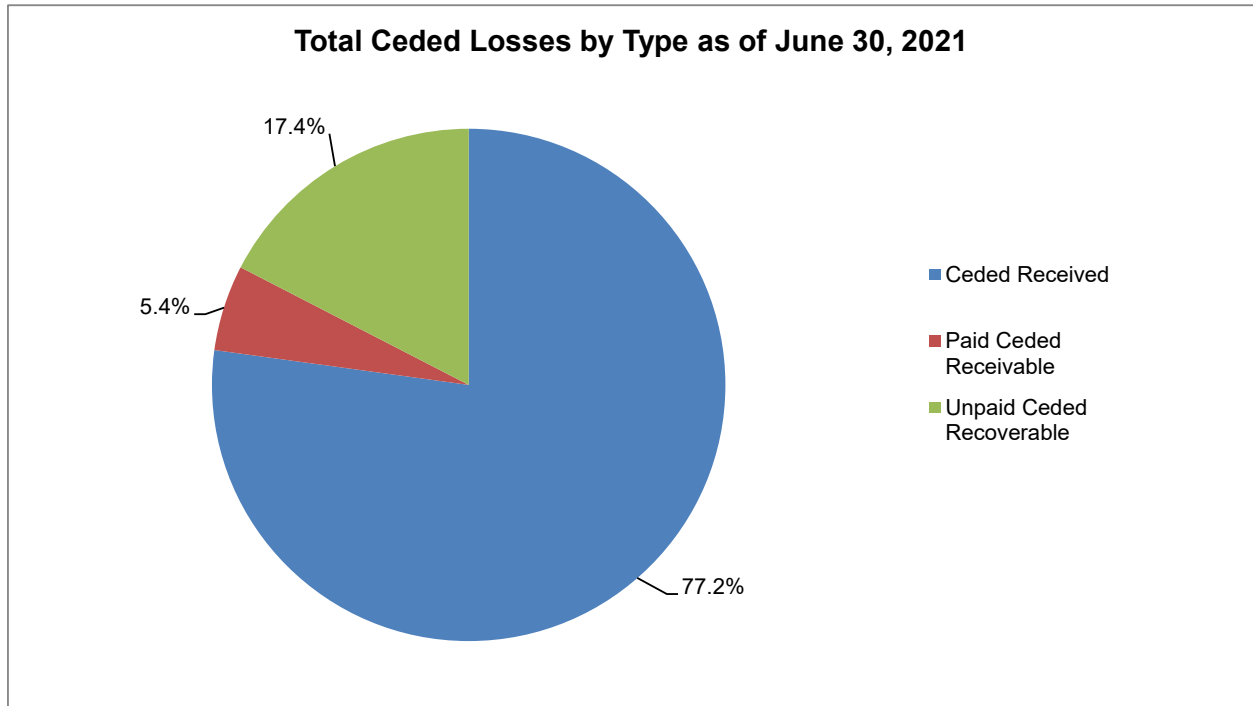
Total ceded losses = Ceded received + Paid Ceded receivable + Unpaid Ceded recoverable

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

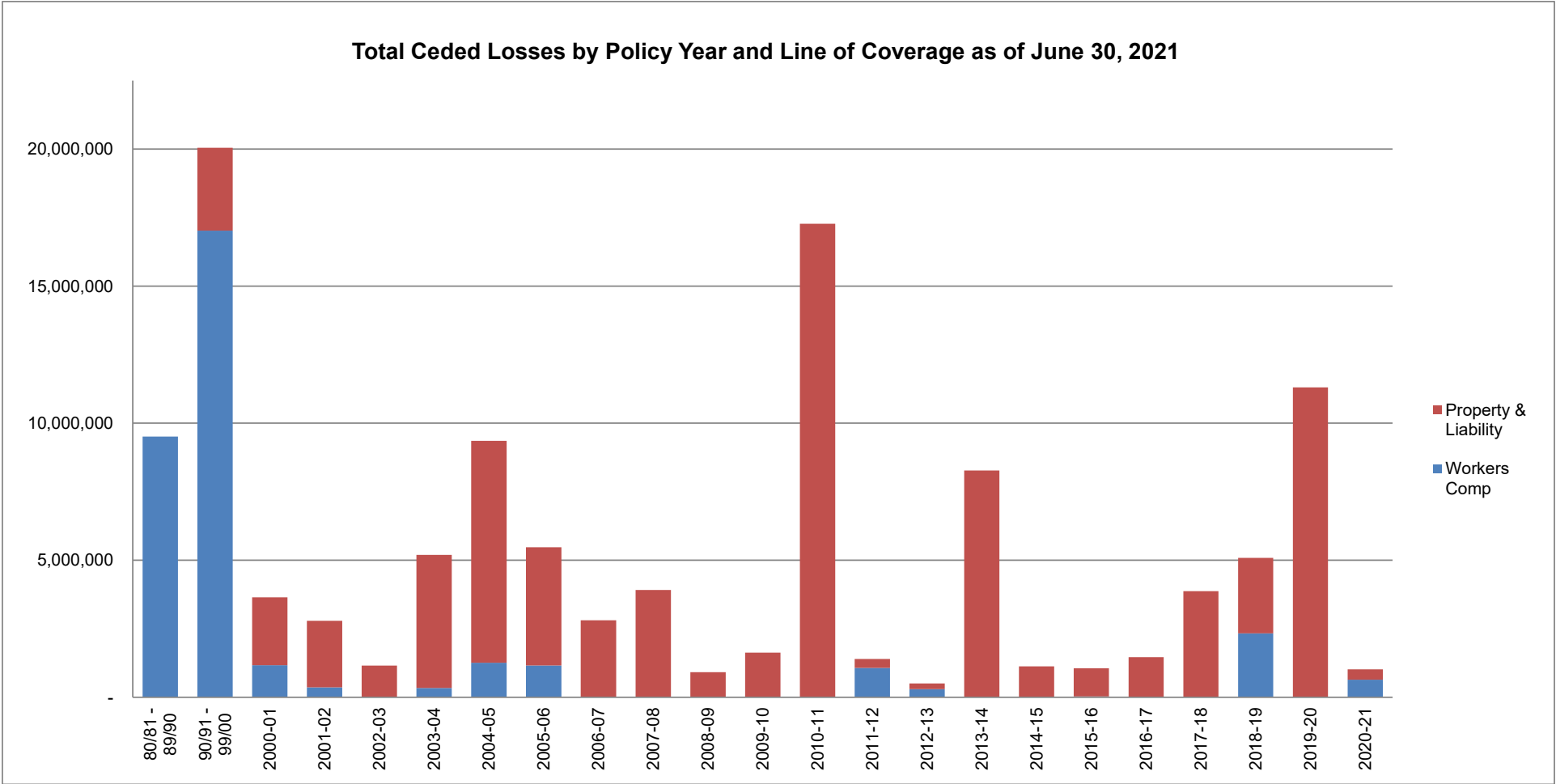
Paid Ceded receivable = loss expenses above retention that have been submitted to reinsurer(s) for reimbursement but not paid yet

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

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

Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

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

Virginia Risk Sharing Association and Subsidiaries

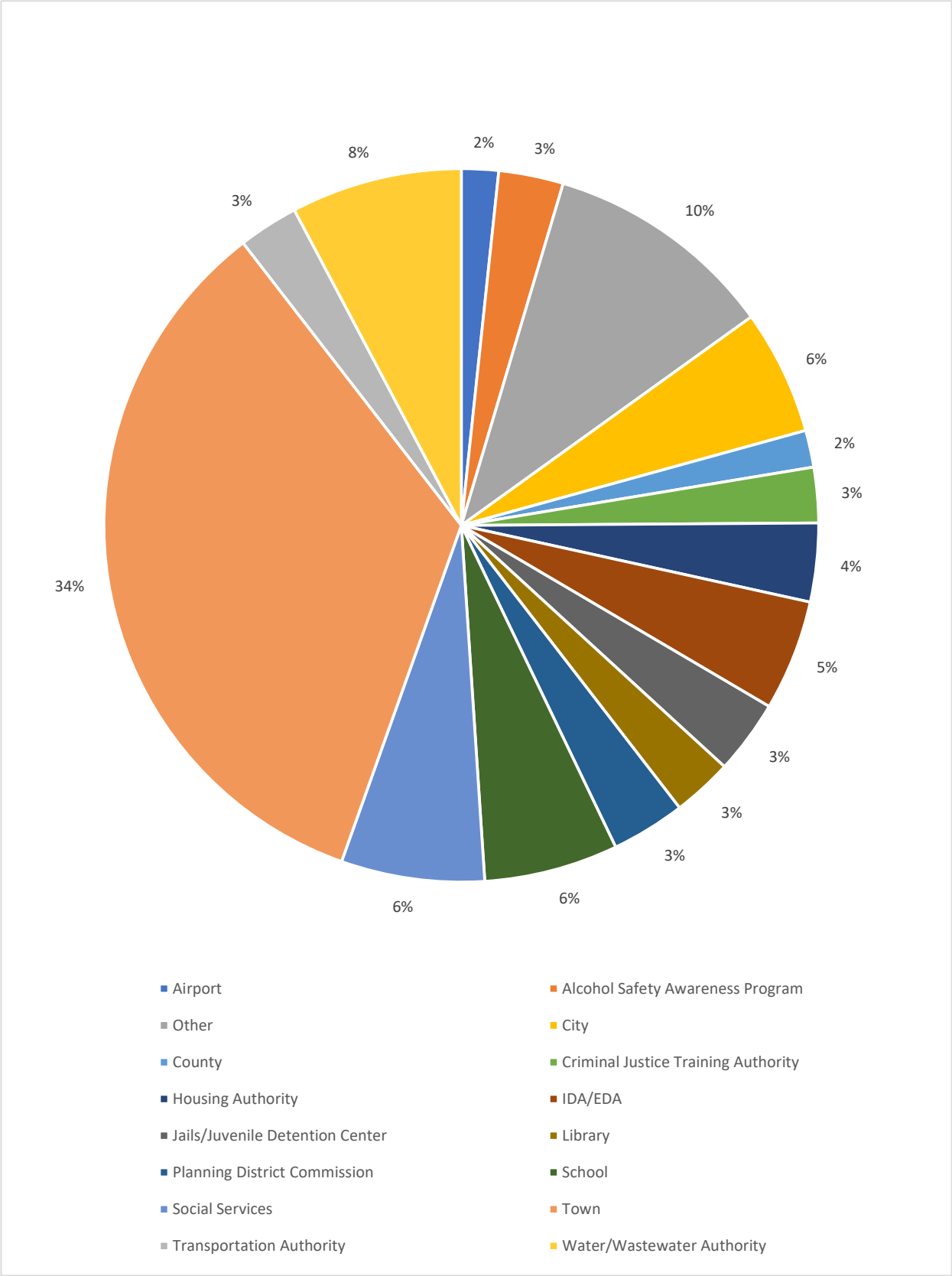
Reinsurance History, Continued

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

Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
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
2014-15	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit
	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
2015-16	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit
	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
2016-17	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
	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
2017-18	PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$1B limit
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit
	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
2018-19	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit
	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$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	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
2019-20	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit
	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	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
2020-21	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit
	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

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





COMPLIANCE SECTION

For the Period July 1, 2020 – June 30, 2021

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Virginia Risk Sharing Association and Subsidiaries (the "Pool"), which comprise the consolidated statement of net position as of June 30, 2021, 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 31, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

December 31, 2021
Glen Allen, Virginia

Virginia Risk Sharing Association
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2021 and 2020



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