

**Washington State Workers' Compensation State Fund  
Ten Year Summary of Financial Information**

(amounts in thousands)

Fiscal Year Ending: 6/30/1999   6/30/2000   6/30/2001   6/30/2002   6/30/2003   6/30/2004   6/30/2005   6/30/2006   6/30/2007   6/30/2008

**Summary of Financial Condition**

**Assets**

Cash and Investments	\$ 8,237,348	\$ 8,603,215	\$ 8,413,609	\$ 8,173,472	\$ 8,257,270	\$ 8,916,310	\$ 9,501,534	\$ 10,190,717	\$ 11,113,223	\$ 11,074,110
Premiums Receivable, Net	246,314	253,136	233,788	217,280	305,803	344,205	398,054	420,349	383,037	415,309
Land, Buildings, and Improvements, Net	62,271	61,217	59,610	59,254	57,751	11,509	17,228	10,946	13,685	15,935
Other Assets	58	2,400	2,896	11,013	20,882	19,775	7,503	29,980	62,263	19,862
<b>Total Assets</b>	<b>\$ 8,545,991</b>	<b>\$ 8,919,968</b>	<b>\$ 8,709,903</b>	<b>\$ 8,461,019</b>	<b>\$ 8,641,706</b>	<b>\$ 9,291,799</b>	<b>\$ 9,924,319</b>	<b>\$ 10,651,992</b>	<b>\$ 11,572,208</b>	<b>\$ 11,525,216</b>

**Liabilities**

Benefits	\$ 6,406,579	\$ 6,627,304	\$ 6,839,160	\$ 7,217,489	\$ 7,549,679	\$ 7,968,235	\$ 8,167,206	\$ 8,328,981	\$ 8,794,375	\$ 9,330,953
Claims Administration	449,866	427,398	423,953	468,887	435,363	377,903	371,732	399,578	414,332	419,411
Retrospective Rating Adjustments	112,044	133,074	119,977	102,793	110,223	111,037	145,761	156,593	159,748	124,054
Other Liabilities	76,964	280,525	101,026	90,067	89,843	46,435	46,754	57,530	110,041	48,852
<b>Total Liabilities</b>	<b>\$ 7,045,453</b>	<b>\$ 7,468,301</b>	<b>\$ 7,484,116</b>	<b>\$ 7,879,236</b>	<b>\$ 8,185,108</b>	<b>\$ 8,503,610</b>	<b>\$ 8,731,453</b>	<b>\$ 8,942,682</b>	<b>\$ 9,478,496</b>	<b>\$ 9,923,270</b>

**Contingency Reserve**

	\$ 1,500,538	\$ 1,451,667	\$ 1,225,787	\$ 581,783	\$ 456,598	\$ 788,189	\$ 1,192,866	\$ 1,709,310	\$ 2,093,712	\$ 1,601,946
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**Summary of Operations and Contingency Reserve**

**Revenues**

Net Premiums Earned	811,047	790,564	787,250	726,516	885,326	1,126,673	1,268,213	1,339,597	1,294,870	1,123,824	10,153,880
Net Investment Income Earned	476,323	503,285	512,942	492,928	452,552	432,389	472,762	499,810	529,987	537,559	4,910,537
Net Investment Realized & Unrealized Gains	241,858	131,433	(187,165)	(283,427)	41,323	435,652	151,171	223,726	491,474	(81,621)	1,164,424
Self-Insured Pension Reimbursement	31,941	35,118	49,635	39,368	55,084	67,647	70,541	96,582	68,091	95,511	609,518
Other Income (Expense, Including Dividends)	(203,068)	(200,000)	4,710	0	18,018	17,650	15,540	31,033	58,455	53,196	(204,466)
<b>Total Revenue Earned</b>	<b>1,358,101</b>	<b>1,260,400</b>	<b>1,167,372</b>	<b>975,385</b>	<b>1,452,303</b>	<b>2,080,011</b>	<b>1,978,227</b>	<b>2,190,748</b>	<b>2,442,877</b>	<b>1,728,469</b>	<b>16,633,893</b>

**Expenses**

Benefits Incurred	1,289,973	1,155,677	1,212,538	1,397,321	1,438,309	1,584,660	1,386,587	1,413,139	1,770,168	1,918,808	14,567,180
Claims Administration Expenses Incurred	105,002	60,603	92,394	141,009	62,417	31,697	112,202	141,835	138,252	130,197	1,015,608
Other Administrative Expense Incurred	79,858	86,439	107,449	88,150	82,119	90,873	113,252	123,175	133,437	192,398	1,097,150
<b>Total Expenses Incurred</b>	<b>1,474,833</b>	<b>1,302,719</b>	<b>1,412,381</b>	<b>1,626,480</b>	<b>1,582,845</b>	<b>1,707,230</b>	<b>1,612,041</b>	<b>1,678,149</b>	<b>2,041,857</b>	<b>2,241,403</b>	<b>16,679,938</b>

**Change in Nonadmitted Assets**

	10,860	(6,552)	19,129	7,091	5,356	(41,190)	38,491	3,845	(16,618)	21,168	41,580
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**Change in Contingency Reserve**

	(105,872)	(48,871)	(225,880)	(644,004)	(125,186)	331,591	404,677	516,444	384,402	(491,766)	(4,465)
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**Cash Flow Summary**

Operational Revenues Collected	654,725	836,352	671,423	777,260	883,577	1,157,205	1,326,609	1,419,856	1,448,968	1,158,663	10,334,638
Benefits Paid	879,920	934,952	1,000,681	1,018,993	1,106,119	1,166,104	1,187,616	1,251,364	1,304,775	1,382,230	11,232,754
Administrative Expenses Paid	150,204	159,239	184,214	187,328	187,194	175,111	209,607	202,710	249,159	255,721	1,960,487
<b>Net Operating Cash Flow</b>	<b>(375,399)</b>	<b>(257,839)</b>	<b>(513,472)</b>	<b>(429,061)</b>	<b>(409,736)</b>	<b>(184,010)</b>	<b>(70,614)</b>	<b>(34,218)</b>	<b>(104,966)</b>	<b>(479,288)</b>	<b>(2,858,603)</b>

Net Investment Income & Gains Collected	489,056	512,919	540,734	513,711	493,683	472,991	489,775	628,304	808,102	896,730	5,846,005
Net Investment Purchased & Expenses	(97,837)	(273,518)	(27,767)	(98,840)	(94,719)	(258,448)	(422,643)	(591,372)	(696,816)	(454,649)	(3,016,609)

**Net Investment Cash Flow**

	391,219	239,401	512,967	414,871	398,964	214,543	67,132	36,932	111,286	442,081	2,829,396
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<b>Net Cash Flow</b>	<b>15,820</b>	<b>(18,438)</b>	<b>(505)</b>	<b>(14,190)</b>	<b>(10,772)</b>	<b>30,533</b>	<b>(3,482)</b>	<b>2,714</b>	<b>6,320</b>	<b>(37,207)</b>	<b>(29,207)</b>
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<b>Beginning Cash Balance</b>	1,663	17,483	(955)	(1,460)	(15,650)	(26,422)	4,111	629	3,343	9,663	
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<b>Ending Cash Balance</b>	17,483	(955)	(1,460)	(15,650)	(26,422)	4,111	629	3,343	9,663	(27,544)	
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The source of this financial information is Washington State's Agency Financial Reporting System adjusted for insurance reporting.