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Colorado Counties Casualty and Property Pool (CAPP)

Started in 1986

52 member counties

Insures \$2.6 billion of property,
6,533 vehicles, and revenues of
\$1.4 billion

\$68.2 million in equity and
interest returned to member
counties

Equity: \$12.5 million

County Workers’ Compensation Pool (CWCP)

Started in 1985

51 member counties

Insures 20,296 employees and
statutory volunteers with a
payroll of \$494 million

\$12.5 million in equity returned
to member counties

Equity: \$18 million

County Health Pool (CHP)

Started in 1984

67-public entity members

Covers 8,086 participants

Member equity used to
minimize contribution
fluctuation

Equity: \$10.4 million

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A Message from the CTSI President



Terry Hart
CTSI President

This is my final year as a CTSI Board member and I am proud to report that CTSI, the pools, and the 800 Grant Street Office Condominium Owners Association finished 2019 in excellent financial health. The audited financials and information presented in this annual report again validate the decision of county commissioners to create the pools and CTSI to meet county insurance, management consulting, training and other centralized service needs.

The pools were created over 30 years ago, to give counties a tool to acquire insurance coverage that was not available to them individually and to help minimize the effects of insurance industry cycles that adversely impact members' budgets and finances. Over the years, CTSI and the pools have developed and improved their ability to assure required coverage is always available and minimize the cost for member counties, allowing them to conduct their business with the assurance of adequate protection and support. Unprecedented commitment, involvement, and support from our owner-members have been paramount in our ability to provide the broadest, most cost-effective coverage possible despite the fluctuating insurance markets, which at times have left individual counties in an untenable position of needing to secure required coverage but with little ability to manage the cost. The pools give their members both buying power and stability that is not available to them standing alone.

Additionally, as members are acutely aware, CTSI not only provides insurance products but also numerous other valuable management, training, and consulting assistance programs tailored to the needs of county members, including employee education courses, assistance in the assimilation of new rules, regulations and requirements into county work processes, and actively helping counties enhance their loss prevention programs, making CTSI an invaluable asset to members. The continuing demands placed on county budgets and resources reinforce the importance of CTSI's centralized member services as a vital added resource for members.

CTSI is your organization and it will continue to develop and evolve to assure that it meets the future needs of members. The economies of scale that result from collectively securing the benefits and services provided to members by CTSI has produced results unparalleled by any other organization. With your ongoing participation in the operations and management of CTSI and the pools, CTSI will continue to provide the coverage and services you want at a price you can afford.

Thank you for your continuing support of both CTSI and the dedicated CTSI staff who work on your behalf. It is due to your unwavering commitment that we have and will continue to be successful in controlling the cost of services and insurance necessary for our county members' operations. Together we truly have established our organization as an irreplaceable asset.

Sincerely,
Terry Hart, Pueblo County
CTSI President



A Message from the CTSI Executive Director

On behalf of all the staff at CTSI, I am proud to present this year's CTSI Annual Report.

This is CTSI's first annual report since I became Executive Director and I am pleased that the audited financials included with this report are, once again, clean opinions and affirm that the sound organizational and financial management members expect from CTSI continued in 2019.

Member involvement in the management and operation of CTSI and the pools, active member participation in managing their shared exposure, and long-term membership stability combine to provide the unmatched benefits that these county-owned and county-run organizations offer their members.

The pool structure allows counties to support each other and have the benefits of ownership using CTSI's "controlled privatization" concept, that blends public sector control with private sector performance. This approach has once again produced excellent results for members, as evidenced by the contents of this report.

CTSI continually works to minimize renewal cost increases, even in the face of challenging markets. In some cases, we have increased limits and made other coverage adjustments to cost-effectively meet members' needs. We are committed to seeking out ways to reduce the cost of insurance and ancillary services for counties. Acting on behalf of members collectively, CTSI is able to use their combined purchasing power to secure services and functions at significantly lower long-term cost than any individual member could obtain. CTSI also continues to provide its popular and widely used training, research and loss control services to members as one of the included benefits of membership. In addition, CTSI has undertaken a significant effort to make our services and products more easily accessible through the webpage and other remote delivery methods. The cost-stability and the member benefits commissioners were after at the time CTSI was formed continue today.

Thank you to all our owner-members for your support, your participation, and your commitment to each other through your county-owned organization. Your use of good risk management practices, your participation in the wide range of training that CTSI offers, and your assistance in the management of claims will help all members keep CTSI's current and future costs as low as they can be. Working together you will continue to reap the fiscal and service benefits and maintain CTSI as the valuable partner you have come to depend on.

Sincerely,
John (Chip) Taylor
CTSI Executive Director



John (Chip) Taylor
CTSI Executive Director



Ramona Weber
Mineral County



“CTSI is our “rock”. We rely on them for their expertise and guidance. CTSI is always there for us to address our needs and guide us through the tough times”

County Technical Services, Inc., administers three county-owned, self-insured insurance pools and provides a multitude of technical, loss prevention, and consulting services to public entities throughout our state.

CTSI-Administered Self-Insurance Pools

CTSI had an excellent membership renewal in each of its insurance pools which include:

The Colorado Counties Casualty and Property Pool insuring the assets of 52 counties.

The County Workers’ Compensation Pool covering the workplace needs of county employees and statutory volunteers in 51 counties.

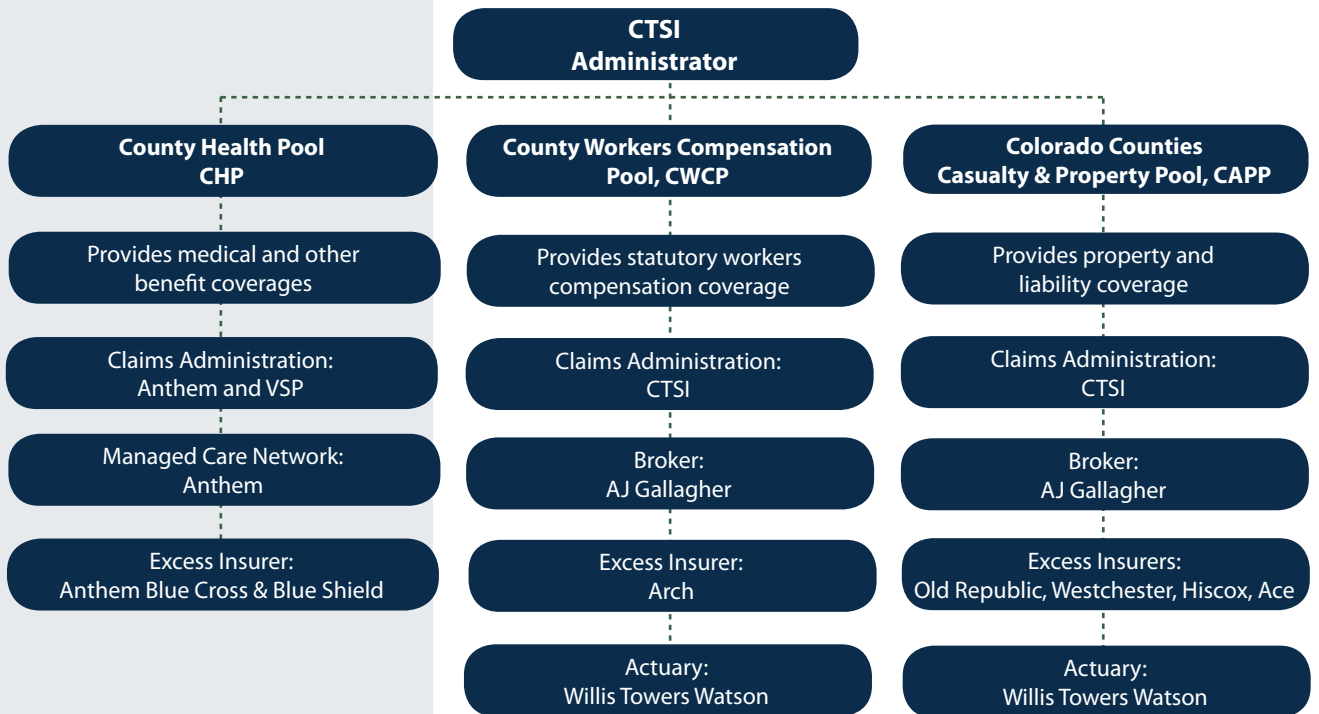
The County Health Pool which covers the healthcare needs of employees and their families for 68 public entities across Colorado.

Third-Party Claims Administration Services

CTSI provided third-party claims administration for the following:

Weld County Self-Insured Workers’ Compensation Program

Denver Water Self-Insured Program





CTSI
Audited Statement of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 928,585	\$ 1,350,008
Investments	4,530,673	3,624,961
Trade Accounts Receivable	140,228	111,973
Prepaid Expenses	9,885	10,395
Total Current Assets	<u>5,609,371</u>	<u>5,097,337</u>
PROPERTY AND EQUIPMENT		
Building	3,291,643	3,291,643
Land	500,000	500,000
Furniture and Equipment	317,675	317,675
Accumulated Depreciation	<u>(2,037,536)</u>	<u>(1,908,672)</u>
Property and Equipment, Net	<u>2,071,782</u>	<u>2,200,646</u>
OTHER ASSETS		
Total Assets	<u>\$ 7,681,153</u>	<u>\$ 7,299,636</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 113,968	\$ 119,193
Accrued Vacation	67,193	88,872
Deferred Income	19,424	-
TPA Deposits	125,000	85,000
Tenant Deposits	21,202	21,695
Total Current Liabilities	<u>346,787</u>	<u>314,760</u>
NET ASSETS		
Unrestricted	7,334,366	6,984,876
Total Liabilities and Net Assets	<u>\$ 7,681,153</u>	<u>\$ 7,299,636</u>

CTSI
Audited Statement of Activities
For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES, GAINS AND OTHER SUPPORT		
Administration Fees	\$ 2,185,004	\$ 2,149,889
Claims Fee Revenue	1,737,881	1,703,159
Management Fees	188,000	185,000
Office Building Rents	334,866	323,381
Investment Income	284,539	71,332
Other	25,228	18,629
Total Revenues, Gains and Other Support	<u>4,755,518</u>	<u>4,451,390</u>
EXPENSES AND LOSSES		
Program Services		
Claims Processing	1,276,950	1,253,399
Loss Prevention	541,893	587,051
Administration	2,085,724	2,161,337
Office Building Operations	501,461	508,343
Total Expenses and Losses	<u>4,406,028</u>	<u>4,510,130</u>
CHANGE IN NET ASSETS	349,490	(58,740)
NET ASSETS, Beginning of Year	6,984,876	7,043,616
NET ASSETS, End of Year	<u>\$ 7,334,366</u>	<u>\$ 6,984,876</u>



Approximately 83% of all Colorado counties participate in one or more of the CTSI-administered pools.

CAPP credited \$1.25 million in earned equity to member county governments toward 2019 contributions.

\$700,000 of interest from CAPP's CTSI-managed investment portfolio was also credited toward 2019 contributions.

CHP's alliance with Anthem Blue Cross & Blue Shield resulted in rate increases of only 5.5% versus an industry average of 5-21%.

Only 7.2% of CAPP and 8% of CWCP contributions go to administrative overhead (excluding claims administration fees).

Only 6.3% of CAPP and 7% of CWCP member contributions go to claim administration fees.

CHP's administrative overhead is 10%, well below the industry average.

The lease purchase program continues to benefit many counties in their property and equipment procurements.

CTSI assisted counties with grant writing and project management as well as county administration services.

CTSI County Administration & Grant Services

Washington – Assist on meeting minute issues.

Lake – Assist BOCC on Board and meeting issues and numerous organizational issues.

Rio Blanco – Assist on personnel issues.

Sedgwick – Work with BOCC on financial concerns.

Yuma – Meet w/BOCC on operational reviews and other issues.

Rio Grande – Assist the BOCC on organizational concerns.

Las Animas – Assist BOCC with work session and executive session meetings structure and other concerns.

Grand – Assist on possible grant possibilities.

Hinsdale – Assist the BOCC on organizational chart and concerns.

Logan – Work with staff on possible grant opportunities.

Cheyenne – Assist with reorganizational structure.

Lake – Assist BOCC with possible jail issues.

Montrose – Assist Manager with Road & Bridge concerns.

Hinsdale – Assist with personnel issues.

Rio Grande – Assist management on personnel and budget.

Alamosa – Assist management on different management issues.

Rio Grande – Assist management on Road & Bridge concerns.

Cheyenne – Work with sheriff on possible grant possibilities.

Rio Grande – Assist county attorney on land use issues.

Lake – Assist BOCC on special project issues.

Custer – Assist BOCC on airport issues.

Moffat – Help with policy on the use of property.

Phillips – Assist with grant issues.

Moffat – Assist with management concerns.

Cheyenne – Work with BOCC on record retention issues.

Hinsdale – Assist on emergency services issues.

Phillips – Assist on personnel issues, BOCC, & staff procedures.

Rio Grande – Assist with purchasing policy, vehicle usage policy and budget issues.

Custer – Communicate with BOCC on grants.



800 Grant Street Office Condominium Owners Association

In 2001, CTSI acquired a commercial office building at 800 Grant Street, Denver Colorado, and uses it as the base of its operations.

During 2004, CTSI formed the 800 Grant Street Office Condominium Owners Association (the Association). The Association is incorporated as a not-for-profit corporation in the State of Colorado for the purposes of operating and maintaining the common property of the Association. The Association consists of seven office units and the adjacent parking structure which contains 120 parking spaces.

CTSI is the lessor for three and one-half condominium units leased to other companies.

As an association member, CTSI owns 86% of the condominium units of the Association.

800 Grant Street Office Condominium Owners Association Audited Balance Sheet December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash	\$ 108,773	\$ 119,877
Deposits	-	-
Prepaid Expenses	<u>2,243</u>	<u>746</u>
TOTAL CURRENT ASSETS	<u>\$ 111,016</u>	<u>\$ 120,623</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	<u>\$ 11,609</u>	<u>\$ 21,338</u>
FUND BALANCES		
Fund Balance - Unrestricted	24,408	25,113
Fund Balance - Capital Reserve	<u>74,999</u>	<u>74,172</u>
TOTAL FUND BALANCES	<u>99,407</u>	<u>99,285</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 111,016</u>	<u>\$ 120,623</u>



The Colorado Counties Casualty and Property Pool (CAPP), which protects the assets of 52 counties throughout Colorado, is acclaimed as a national model for intergovernmental pooling.

100% of CAPP member counties renewed their membership.

CAPP members' equity was \$12.5 million at the close of 2019.

CAPP maintained low operating costs and returned \$1.25 million of its equity and \$700,000 of projected interest income to member counties as a credit toward 2019 contributions.

CAPP's 2019 excess property insurance rate increased by 16% with a 6.3% increase in property values.

For 2019 CAPP's excess casualty insurance rate increased by 0.9% with a 5% increase in county revenue.

CAPP Board of Directors 2019



President/Comptroller
Darius Allen
Commissioner
Alamosa County



Vice President
Sean Conway
Commissioner
Weld County



Secretary
Terry Hart
Commissioner
Pueblo County



Director
John Martin
Commissioner
Garfield County



Director
Chris Richardson
Commissioner
Elbert County



Director
Jim Zwetzig
Commissioner
Morgan County



Director
Jeff Rector
Commissioner
Rio Blanco County



CAPP
Audited Statutory Statements of Admitted Assets, Liabilities & Members' Surplus
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ADMITTED ASSETS		
Cash and cash equivalents	\$ 3,161,071	\$ 1,563,140
Investments	<u>18,697,385</u>	<u>21,252,390</u>
Total cash and investments	21,858,456	22,815,530
Due from self-funded counties	60,313	75,023
Accrued interest receivable	<u>108,249</u>	<u>125,822</u>
TOTAL ADMITTED ASSETS	<u>\$ 22,027,018</u>	<u>\$23,016,375</u>
LIABILITIES AND MEMBERS' SURPLUS		
LIABILITIES		
Reserve for losses and loss adjustment expenses	\$ 7,326,700	\$ 7,177,856
Reserve for unallocated loss adjustment expenses	788,941	658,886
Deposits held for self-funded counties	460,000	560,000
Surplus Distribution payable	1,000,000	1,250,000
Other Accounts Payable	<u>1,084</u>	<u>14</u>
Total liabilities	9,576,725	9,646,756
MEMBERS' SURPLUS	<u>12,450,293</u>	<u>13,369,619</u>
TOTAL LIABILITIES AND MEMBERS' SURPLUS	<u>\$ 22,027,018</u>	<u>\$ 23,016,375</u>

CAPP
Audited Statutory Statements of Income & Members' Surplus
For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
UNDERWRITING INCOME		
Members contributions written	\$ 11,143,913	\$ 10,228,487
Excess insurance written	<u>(4,019,421)</u>	<u>(3,525,048)</u>
Net underwriting Income	<u>7,124,492</u>	<u>6,703,439</u>
UNDERWRITING EXPENSES		
Net losses and loss adjustment expenses incurred	5,506,722	4,957,479
Unallocated loss adjustment expenses incurred	879,109	613,968
Other underwriting expenses incurred	<u>1,087,477</u>	<u>1,071,415</u>
Total underwriting expenses incurred	<u>7,473,308</u>	<u>6,642,862</u>
UNDERWRITING GAIN	(348,816)	60,577
NET INVESTMENT INCOME	<u>657,134</u>	<u>448,221</u>
NET INCOME BEFORE RETURN OF SURPLUS	308,318	508,798
RETURN OF SURPLUS	(1,000,000)	(1,250,000)
MEMBERS' SURPLUS - BEGINNING OF YEAR	13,369,619	14,747,398
CHANGES IN NONADMITTED ASSETS	<u>(227,644)</u>	<u>(636,577)</u>
MEMBERS' SURPLUS - END OF YEAR	<u>\$ 12,450,293</u>	<u>\$ 13,369,619</u>



The property and liability claims unit ended the year with 411 open CAPP files. Of those, 175 are general liability claims in litigation or pre-litigation, 50 are auto liability, 131 auto physical damage claims, and 55 property claims.

Risk Management

Insurers are increasingly scrutinizing the management practices and policies of organizations they insure to limit exposure, particularly for employment practices claims. For CTSI-managed insurance pools, such scrutiny is all in a day’s work, as staff proactively engages in risk management and loss prevention. Many years ago, the position of CTSI human resources specialist was created to specifically address this issue. Since then CTSI’s human resources specialist has been available to counties to reduce the risk of legal action when it comes to their employment decisions.

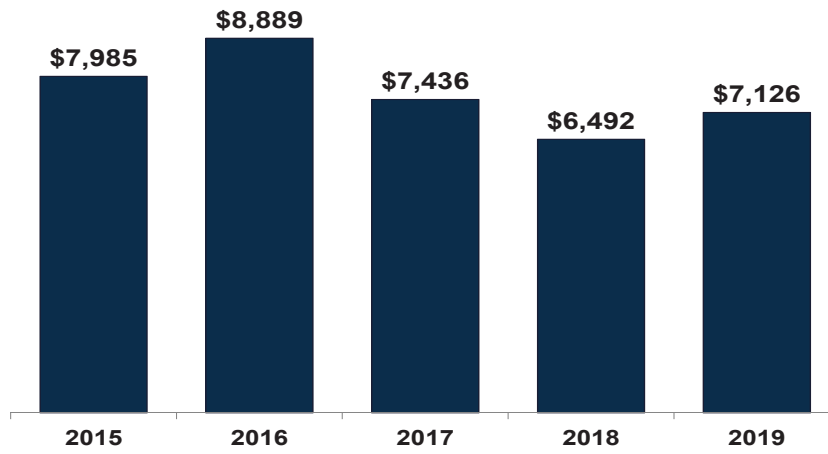
A highly experienced, expert team administers CAPP claims and responds quickly to legal actions. By funding for losses at conservative levels determined by our independent actuary, CAPP’s loss reserves maintain financial stability.

The loss prevention team works with the CAPP claims unit to spot trends, so they can develop training classes and services to address issues affecting county liability exposures.

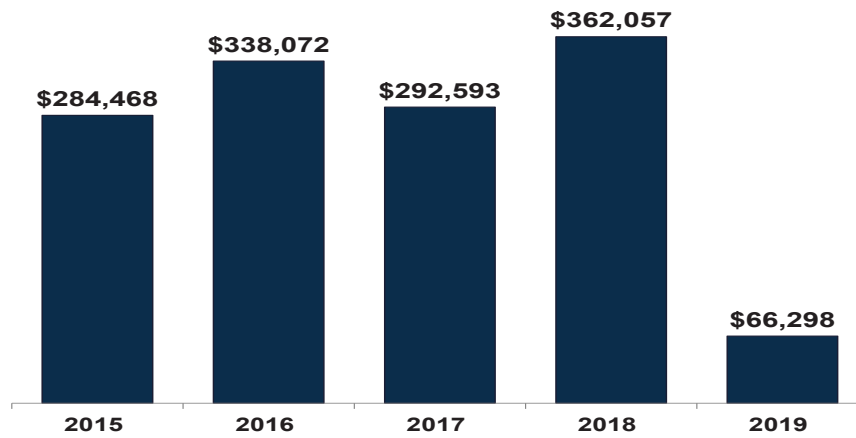
Policy Year	2015	2016	2017	2018	2019
Number of Members	52	52	52	52	52
Average Claim	\$7,985	\$8,889	\$7,436	\$6,492	\$7,126
Total Incurred	\$5,613,565	\$6,720,008	\$5,584,096	\$5,330,052	\$5,330,052
Number of Claims					
Auto Liability	114	127	114	130	128
Auto Physical Damage	262	297	306	347	289
General Liability	242	244	229	240	238
Property	85	88	102	104	93
Total	703	756	751	821	748



CAPP Average Cost Per Claim



CAPP Subrogation Recoveries





CAPP Financial Stability

CAPP remains financially sound and again this year received a clean opinion for the 2019 audit.

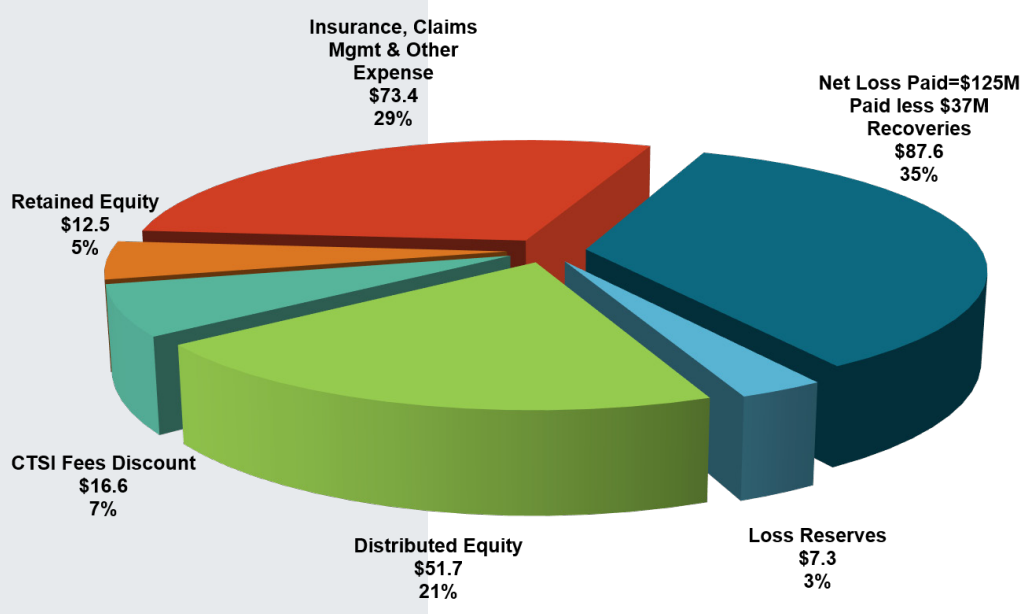
As of December 31, 2019, CAPP members' equity is \$12.5 million.

Return on Investment

CAPP members earn equity in funds not used to pay losses. The pool equity is used in the event of unexpected loss development, as well as providing a return on investment to members to offset future contributions. The overall return on investment from equity and projected interest income (both credited and retained) has been 33% since 1988.

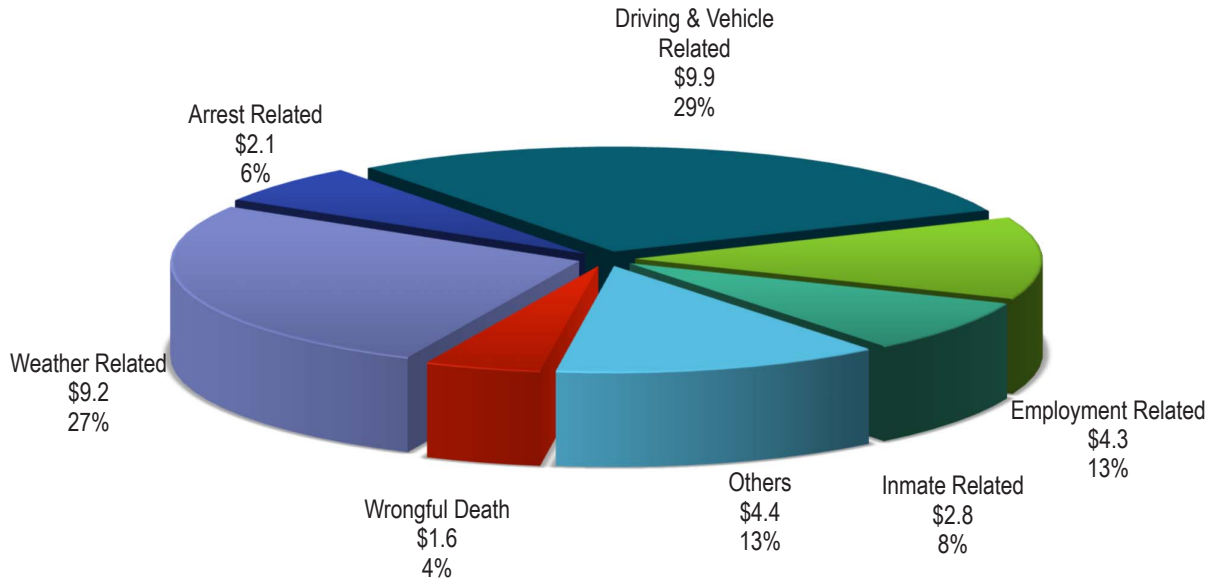
Since 1988, members have contributed \$250 million. CAPP has paid \$125 million in losses, recovered \$37 million of loss costs on behalf of members, returned \$51.7 million of earned equity to members, retains \$12.5 million in equity and \$7.3 million in loss reserves. \$73.4 million has been paid for excess insurance, claims administration, broker fees, and other pool expenses. Over \$16.6 million in projected interest income (CTSI fees discount) has been credited toward member contributions.

CAPP Total Contributions 1988 - 2019: \$250 million

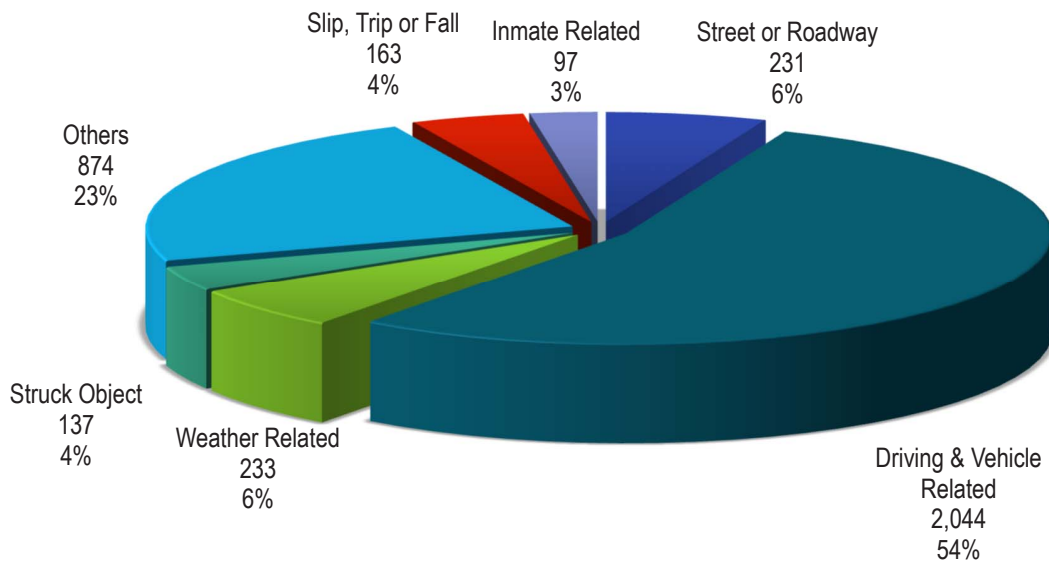




CAPP Severity of Claims
Total Dollars Incurred 2015 - 2019



CAPP Frequency of Claims
Total Number of Claims 2015 - 2019





The County Workers' Compensation Pool (CWCP) provided 51 counties with workers' compensation coverage for its county employees and statutory volunteers.

100% of CWCP member counties renewed their membership.
CWCP members' equity was \$18 million at the close of 2019.
CWCP's excess insurance rate had no change.
CWCP maintained low operating costs and returned \$1.25 million of its equity toward 2019 contributions.

CWCP Board of Directors 2019



President/
Comptroller
Terry Hart
Commissioner
Pueblo County



Vice President
Darius Allen
Commissioner
Alamosa County



Secretary
Steve Wadley
Commissioner
Archuleta County



Director
Jane Bauder
Commissioner
Logan County



Director
Bob Campbell
Commissioner
Teller County



Director
Ramona Weber
Commissioner
Mineral County



Director
Ron Cook
Commissioner
Prowers County



CWCP
Audited Statutory Statements of Admitted Assets, Liabilities & Members' Surplus
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ADMITTED ASSETS		
Cash and cash equivalents	\$ 2,333,481	\$ 494,463
Investments	42,489,324	43,088,199
Total cash and investments	<u>44,822,805</u>	<u>43,582,662</u>
Due from self-funded counties	65,242	165,201
Accrued interest receivable	<u>275,663</u>	<u>220,492</u>
TOTAL ADMITTED ASSETS	<u>\$ 45,163,710</u>	<u>\$ 43,968,355</u>
LIABILITIES AND MEMBERS' SURPLUS		
LIABILITIES		
Reserves for losses and loss adjustment expenses	\$ 24,614,350	\$ 24,837,074
Reserve for unallocated loss adjustment expenses	861,455	820,039
Surplus distribution payable	1,402,306	1,402,306
Deposits held for self-funded counties	200,000	275,000
Accounts payable	<u>53,487</u>	<u>-</u>
Total liabilities	<u>27,131,598</u>	<u>27,334,419</u>
MEMBERS' SURPLUS	<u>18,032,112</u>	<u>16,633,936</u>
TOTAL LIABILITIES AND MEMBERS' SURPLUS	<u>\$ 45,163,710</u>	<u>\$ 43,968,355</u>

CWCP
Audited Statutory Statements of Income & Members' Surplus
For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
UNDERWRITING INCOME		
Member contributions written	\$ 12,548,541	\$ 12,223,103
Reinsurance and excess insurance ceded	<u>(1,001,794)</u>	<u>(975,044)</u>
Total underwriting income	<u>11,546,747</u>	<u>11,248,059</u>
UNDERWRITING EXPENSES		
Net losses and loss adjustment expense incurred	8,168,655	9,965,191
Unallocated loss adjustment expense incurred	971,862	904,401
Other underwriting expenses incurred	<u>872,380</u>	<u>756,276</u>
Total underwriting expenses incurred	<u>10,012,897</u>	<u>11,625,868</u>
UNDERWRITING GAIN / (LOSS)	<u>1,533,850</u>	<u>(377,809)</u>
NET INVESTMENT INCOME	<u>1,145,059</u>	<u>913,640</u>
NET INCOME BEFORE RETURN OF SURPLUS	2,678,909	535,831
RETURN OF SURPLUS	(1,250,000)	(1,250,000)
MEMBERS' SURPLUS - BEGINNING OF YEAR	16,633,936	17,412,970
CHANGES IN NONADMITTED ASSETS	<u>(30,733)</u>	<u>(64,865)</u>
MEMBERS' SURPLUS - END OF YEAR	<u>\$ 18,032,112</u>	<u>\$ 16,633,936</u>



The workers' compensation claims unit ended 2019 with 481 open CWCP claims. Of those, 257 are indemnity claims and 224 are medical only claims.

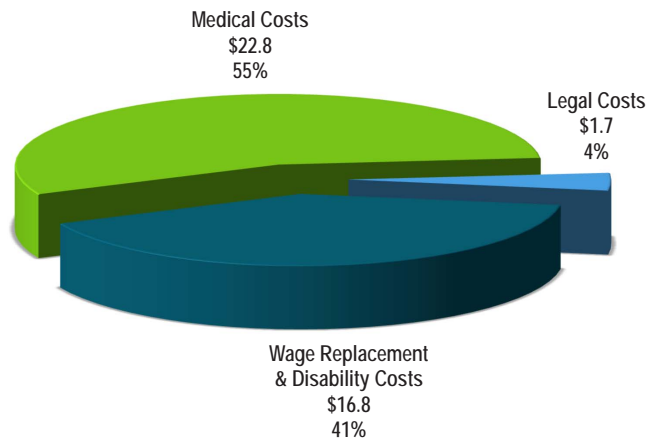
Effective Risk and Claims Management

CWCP offers affordable coverage to members and pro-actively engages in risk management and training which has proven effective in loss prevention and resulted in smaller premium increases for members.

To control costs, CWCP uses nurse case management to intervene quickly to ensure injured employees receive appropriate care. CTSI also assists counties in developing return-to-work programs and contingency plans for modified duties.

CTSI's integrated management policies and procedures mean sizeable cost savings on workers' compensation claims. CTSI's claims management facilitates injured employees' speedy recovery and return to work – whether to a fulltime or temporary modified duty assignment.

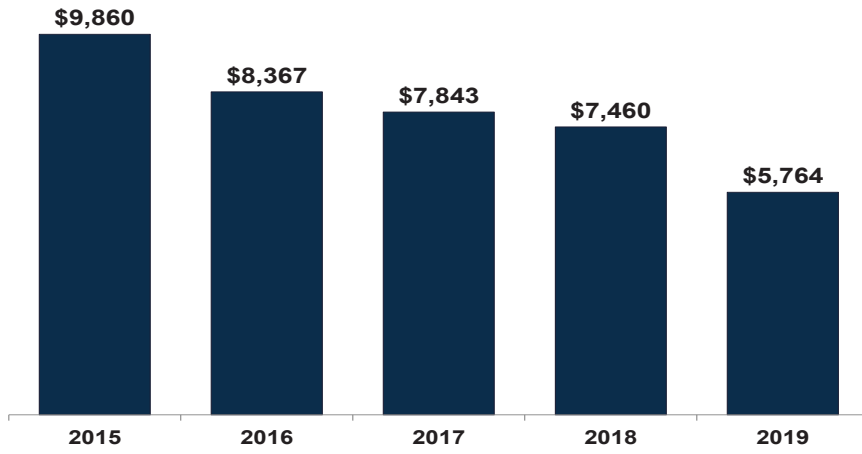
2015 - 2019



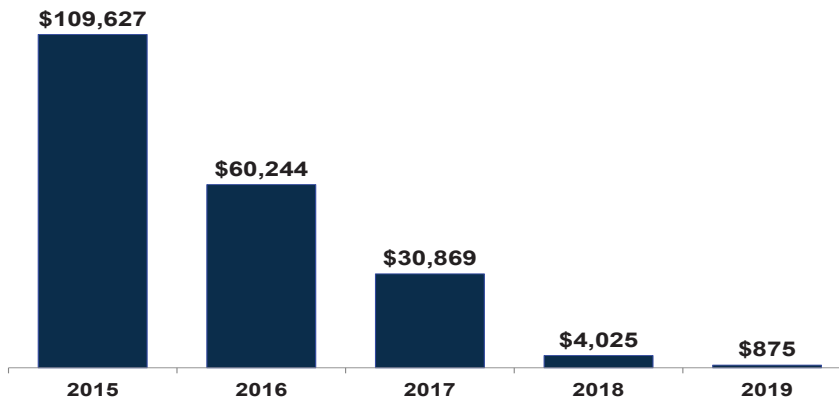
Policy Year	2015	2016	2017	2018	2019
Number of Members	51	51	51	51	51
Average Claim	\$9,860	\$8,367	\$7,843	\$7,460	\$5,764
Total Incurred	\$9,850,278	\$9,195,533	\$8,697,740	\$7,422,514	\$6,139,160
Number of Claims					
Medical Only	175	192	199	183	154
Indemnity	824	907	910	812	911
Total	999	1,099	1,109	995	1,065



CWCP Average Cost Per Claim



CWCP Subrogation Recoveries





CWCP Financial Stability

CWCP remains financially sound and again this year received a clean opinion for the 2019 audit.

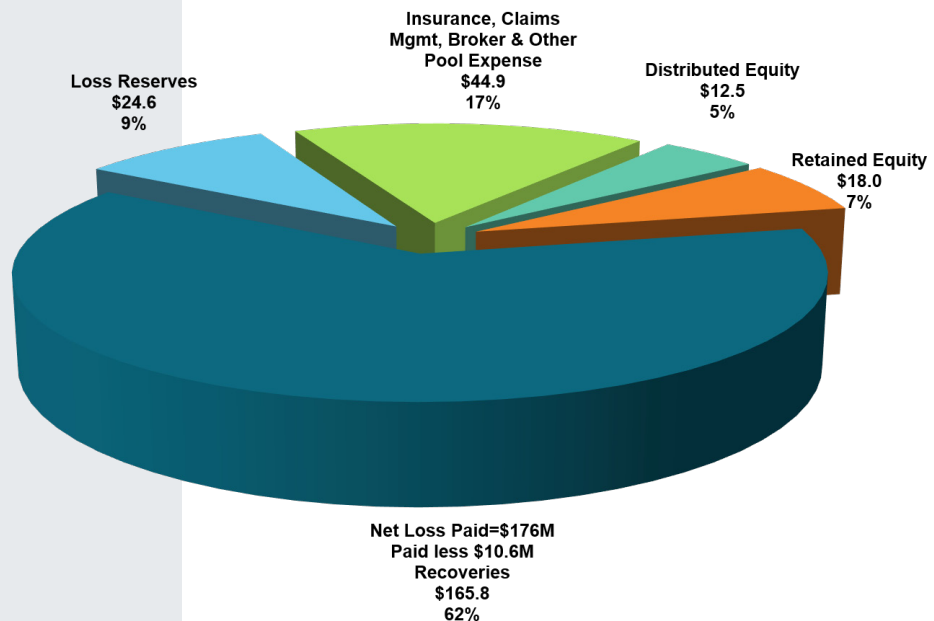
As of December 31, 2019, CWCP members' equity is \$18 million.

Return on Investment

CWCP members earn equity in funds not used to pay losses. The pool equity is maintained as a safety net to offset market swings and provide a return on investment to members to offset future contributions.

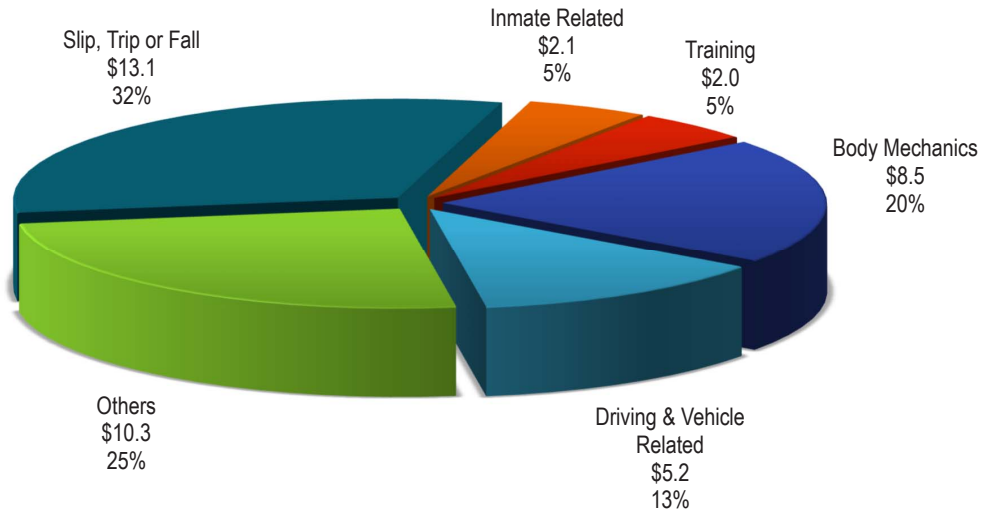
Since 1986 members have contributed \$266 million. CWCP has paid \$176 million in losses; recovered \$10.6 million of loss costs on behalf of members, returned \$12.5 million of earned equity to members, and holds \$24.6 million in loss reserves and \$18 million in retained equity. \$44.9 million has been paid for excess insurance, claims administration, broker fees, and other pool expenses.

CWCP Total Contributions 1986 - 2019: \$266 million

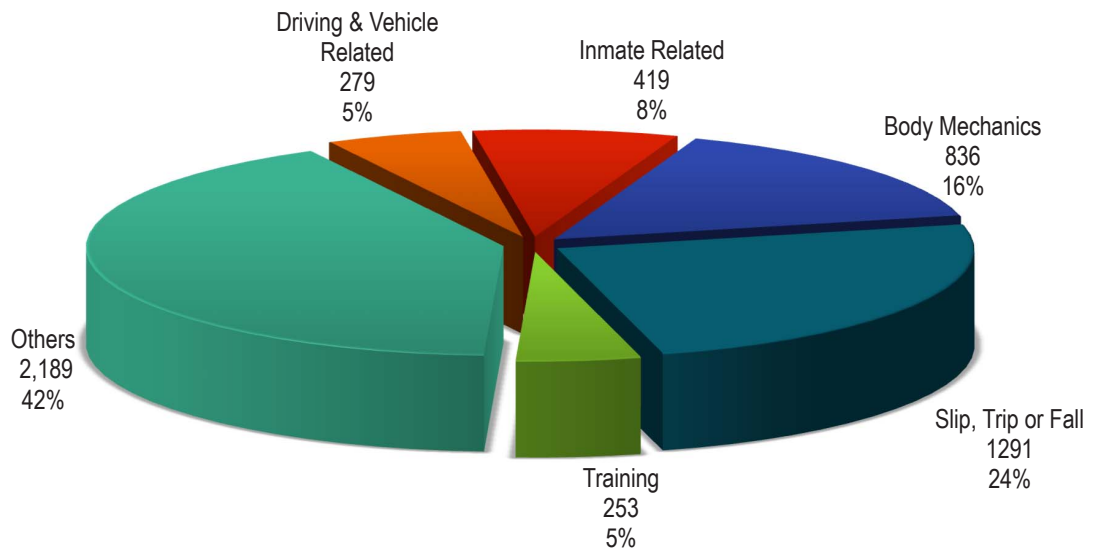




***CWCP Severity of Claims
Total Dollars Incurred 2015 - 2019***



***CWCP Frequency of Claims
Total Number of Claims 2015 - 2019***





For 2019, CHP had a minimal 5.5% rate increase, including prescriptions, compared to the national rate increase of 5% to 21%, which is for medical only.

CHP had a 0% rate increase for dental, vision, and life.

CHP members' equity was \$10.4 million at the close of 2019.

CHP maintained the same level of benefits for all plans – medical, dental, vision, and life, and added another medical option, HDHP compatible with HSA.

CHP increased efforts to market CHP to other local governments to assist all members by spreading the overall risk and cost over a larger base.

The County Health Pool (CHP) provides affordable healthcare coverage to 67 public entity members with 8,086 covered participants.

CHP Board of Directors 2019



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Rio Grande County



Director
Tony Hass
Commissioner
Las Animas County



CHP
Audited Balance Sheet
December 31, 2019 and 2018

ASSETS		
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 3,347,106	\$ 3,385,416
Investments	13,950,972	14,042,087
Accrued interest receivable	99,475	70,255
Prepaid expenses	11,083	12,036
Deposits	16,490	16,490
TOTAL ASSETS	<u>\$ 17,425,126</u>	<u>\$ 17,526,284</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Claims payable	\$ 5,250,000	\$ 5,000,000
Accounts payable	1,208,843	1,135,281
Contribution deposits	560,609	71,822
TOTAL LIABILITIES	<u>7,019,452</u>	<u>6,207,103</u>
NET POSITION		
Unrestricted	10,405,674	11,319,181
TOTAL LIABILITIES AND NET POSITION	<u>\$ 17,425,126</u>	<u>\$ 17,526,284</u>

CHP
Audited Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUE		
Contributions	\$ 59,460,094	\$ 58,683,712
OPERATING EXPENSES		
Net claims incurred	46,199,215	43,781,846
Insurance premiums	11,065,701	10,010,939
Administration	3,838,751	3,887,098
Total operating expenses	<u>61,103,667</u>	<u>57,679,883</u>
OPERATING GAIN	(1,643,573)	1,003,829
NON OPERATING REVENUE		
Net investment income	730,066	93,499
INCREASE IN NET POSITION	(913,507)	1,097,328
NET POSITION - BEGINNING OF YEAR	<u>11,319,181</u>	<u>10,221,853</u>
NET POSITION - END OF YEAR	<u>\$ 10,405,674</u>	<u>\$ 11,319,181</u>



CHP Services

- Five PPO medical plan options
- Two HDHP/HSA medical plan options
- Organ and bone marrow transplant coverage
- Preventive benefits
- Prescription drug benefits
- Term life and AD&D benefits
- Optional vision coverage
- Optional dental coverage
- Optional dependent life insurance
- Optional supplemental life insurance coverage
- Unbundled coverage
- Dedicated customer service units
- COBRA and HIPAA administration
- Health fair benefit
- CDL physical benefit
- Educational training for members
- Webinars on health care reform

Affiliation with Anthem

CHP is a county-owned and county-operated healthcare insurance pool which in 2003 voted to affiliate with Anthem Blue Cross & Blue Shield to help provide a long-term solution to rising healthcare costs. CHP has a dedicated customer service and claims unit within Anthem that minimizes any problems that may arise as a result of claims processing which sets us apart from other health insurance carriers.

Education

CHP offers classes to help employees and their dependents be wise healthcare consumers. The training is modeled after loss-prevention training offered by other CTSI pools and provides information about CHP, loss analysis, the healthcare industry, trends, costs, and tips for understanding and maximizing use of the plans.

In addition, CHP provided multiple webinars regarding application and compliance of PPACA (health care reform).

Policy Year 2019	
Number of Members	67
Number of Claims	81,050
Cost of Claims	\$ 54,445,517
Average Member Claim Cost (PMPM)	\$ 445
Number of Claimants	12,670
Average Cost Per Claimant (Annual)	\$ 4,297



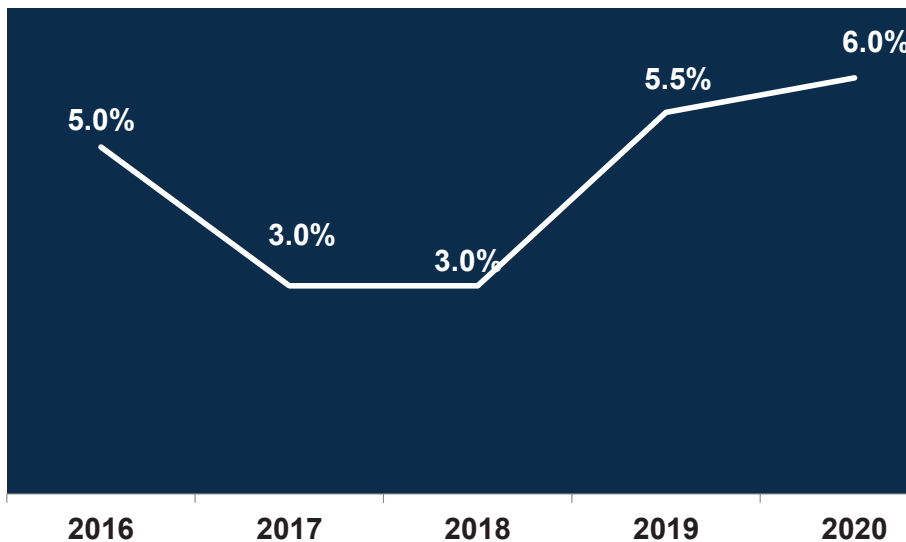
Cost Savings

CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverage levels determined by representatives from member counties.

Pooling resources helps decrease costs of healthcare coverage which is crucial when a national survey projects healthcare increases of at least 11% to 14% (depending on groups and demographics) each year through the end of the decade, twice the Consumer Price Index.

The pool benefits members through equity growth which minimizes cost increases to members. CHP is exempt from the State Premium Tax on commissions, resulting in lower costs to members. CHP assists members with HIPAA and COBRA at no additional cost.

CHP Rate Trend (% of change over previous year)





Again this year, we have been effective in maintaining no rate increase in life, vision, and dental programs while maintaining the same level of benefit.

For 2020, the County Health Pool took only a 6% net medical/prescription increase, a 0% dental increase, and no increase in vision or life. This is well below the national average. CHP also maintained all current benefit plans and levels of coverage and modified all medical plans to be in compliance with PPACA regulations.



Gene Glover
Rio Grande County

“CTSI has set the bar for helping protect the counties. I can’t say enough good about the whole CTSI team.”

2020 Renewal and Insurance Industry Outlook

During the 2020 marketing process, the insurance industry was providing increases of 5 to 21% or more in overall health insurance rates. The rate increase was 30% plus when the Exchange is included. CHP’s health insurance rate increased a nominal 6% for 2020 while maintaining its current rich benefit plans.

The excess insurance market was willing to continue to provide coverage for larger groups, such as CHP, but based upon increased expense and utilization, the costs continue to escalate even at the excess layer.

CHP members are continually rewarded by larger discounts when negotiating renewal costs for our ASO contract, network contract, prescription program, and excess insurance program since we have bundled them under Anthem.

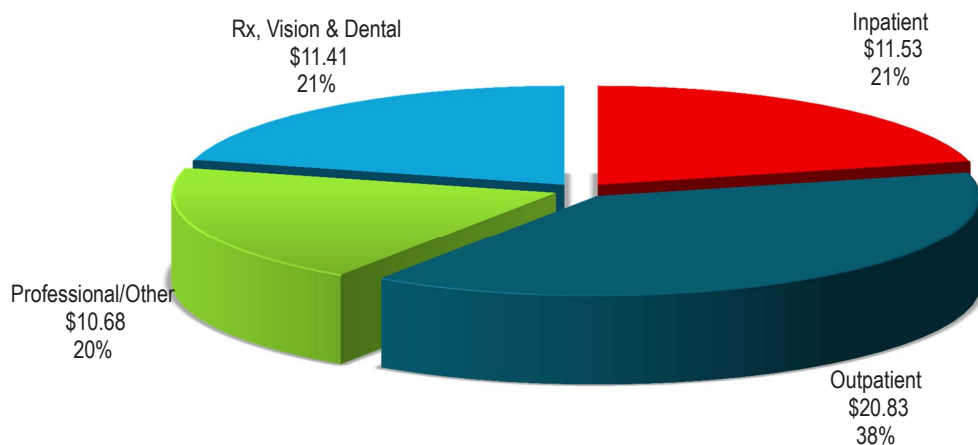
Unlike other health insurance carriers, CHP has been able to effectively control the terms and conditions of benefit coverage because the members own, operate, and effectively define their benefit programs.

For 2020, the CHP took a 6% overall increase, well below the national average. The CHP also maintained all current benefit plans and levels of coverage and modified all medical plans to be in compliance with PPACA regulations.

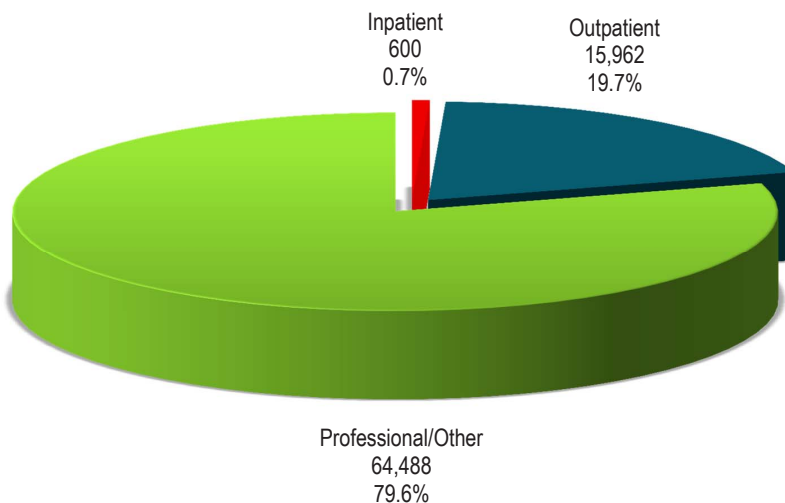
CHP continues to be the best choice for local governments in Colorado because the increased number of participants allows for sharing of costs of operation, cost containment efforts through multi-year contracts, and education and wellness management programs. CHP remains successful because it continues to be self-governed and controlled by its members which allows the members to continually define affordability of coverage each year.



***CHP Severity of Medical Claims
Total Dollars Incurred 2019 (in millions)***



***CHP Frequency of Medical Claims
Total Number of Claims 2019***





Loss Prevention

Goals & Objectives

The loss prevention team supports county personnel by:

Acting as a liaison between members and other CTSI staff.

Advising county supervisors on exposures and losses.

Creating uniform inspection checklists to ensure inspection continuity and consistency.

Developing specialized training programs targeting high frequency claims.

Disseminating information on loss prevention subjects.

Maintaining a reference library for members.

Participating in industry meetings and conferences.

Performing quarterly loss prevention inspections for various county departments.

Providing up-to-date information on rules, regulations and requirements.

Reviewing county policies and practices.

Training county contacts, trainers and loss prevention committees.

CTSI's loss prevention team provides high-quality, value-added services to Colorado counties that participate in the county-owned insurance pools. The loss prevention team helps counties reduce their exposure to loss while improving the safety and efficiency of their workplaces.

Benefits of CTSI Loss Prevention

Insurers analyze the effectiveness of county loss prevention programs in evaluating pools and determining coverage and rates. The CTSI Loss Prevention Team, comprised of three risk management experts and a human resource specialist, aims to help counties control insurance costs by preventing loss-causing events.

The team has expanded and upgraded its services to help minimize the risk of accidents and losses and keeps apprised of federal and state rules, regulations, and programs and helps member counties comply.

Safety Training

On-the-job safety is critical for county governments and their employees. CTSI offers more than 190 courses designed to improve safety. Some, such as CTSI's New Miner Training class, are federally-mandated to comply with Mine Safety and Health Administration (MSHA) regulations. MSHA requires all county employees who haul sand and gravel to document they have completed Experienced Miner or Newly Hired Miner training, which CTSI offers conveniently at no cost to its counties and at a reasonable cost for non-members.

Policy Review

CTSI works with counties to develop consistent and enforceable policies – whether it is holding employees accountable for their actions, carrying out effective retraining, or taking disciplinary actions when employees fail to meet performance standards.

Value-added services

CTSI's loss prevention team offers a range of classes that counties – on their own – generally could not afford. The team also helps counties create building and emergency evacuation plans, set policies, and draw up employee training plans.



Jane Bauder
Logan County

Loss Prevention Services To Our Pool Members

- Presented 289 classes to 3,718 county employees.
- Performed 42 personal computer workstation ergonomic evaluations.
- Conducted 32 building audits and on-site evaluations and inspections.
- Attended 55 meetings.
- Presented the five-year loss analysis to BOCC of 51 counties.
- Presented the five-year loss analysis to 46 county sheriffs.

“CTSI has been instrumental in helping us make wise decisions about our personnel policies during COVID-19. They kept us up to speed on rules and guidelines that changed daily and sometimes hourly. Thank you CTSI! You do an awesome job.”

Human Resource Services To Our Pool Members

- Presented 10 classes to 134 county employees.
- Performed 7 HR policy reviews
- Held 204 HR phone consultations
- Attended 11 HR meetings



Loss Prevention

CTSI Telephone Consultation

CTSI provides consulting and technical information on a variety of topics including, but not limited to:

- ADA compliance
- Blood borne pathogens
- Countywide coordination of policies and procedures
- Civil rights discrimination
- DOT regulations
- Drug testing policies
- Employee discipline and termination issues
- Employee manuals
- Facilities exposure
- FMLA regulations
- Harassment prevention
- Injuries and accidents
- Job descriptions
- Liability risks
- New construction review
- OSHA and MSHA regulations
- Payroll records and financial controls
- Record keeping procedures
- Safety problems
- Sexual harassment
- Privacy and document retention and deletion practices
- Employee use of social media

County Staff Trained on Required and Requested Topics

Civil rights, discrimination, and harassment prevention, MSHA refresher and new miner training, flagger certification, and coaching the experienced driver topped the list of most popular classes for CTSI.

In the HR area, civil rights, discrimination and harassment prevention, EEO compliance, and drug and alcohol awareness continued to be among the most frequently requested classes. Both new and experienced employees are required to have training in these topics, necessitating frequent update training.

With over 20,000 county employees and statutory volunteers insured by the county pools, keeping up with the training required by law on many topics requires a year-round effort involving everyone. CTSI helps keep your county on track by keeping records of all the classes given, the attendance reports, and how often and what topics are required to be given.

Webinars

CTSI is developing a series of on-line loss prevention webinars to enhance the risk management programs of our member counties. These webinars will be posted at www.ctsi.org as they become available.

Human Resources Consultation & Policy Review

The HR Specialist responded to requests for technical assistance, research, and loss prevention advice by phone or email.

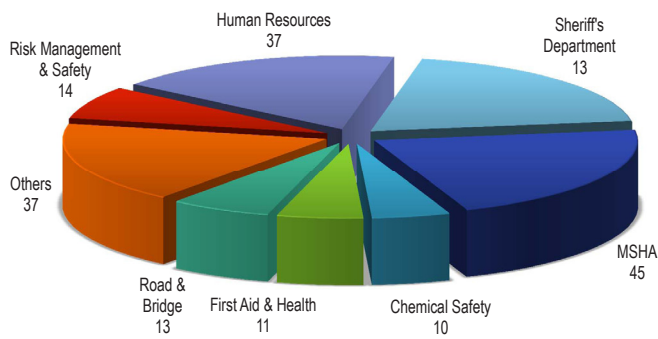
County and department policies are reviewed by the HR Specialist upon request by individual counties. With 52 CAPP member counties and multiple policies in each county, it takes a planned effort by each county to assure that all county policies stay current.

Salary Survey

CTSI staff produces an annual salary survey for county pool members. The 2018 report covered 31 counties, 61 position benchmarks, and over 4,700 pieces of data. The amount of data and number of county participants makes it a very accurate source for comparing other salary surveys to the CTSI salary survey.



CTSI Film Library Online Films



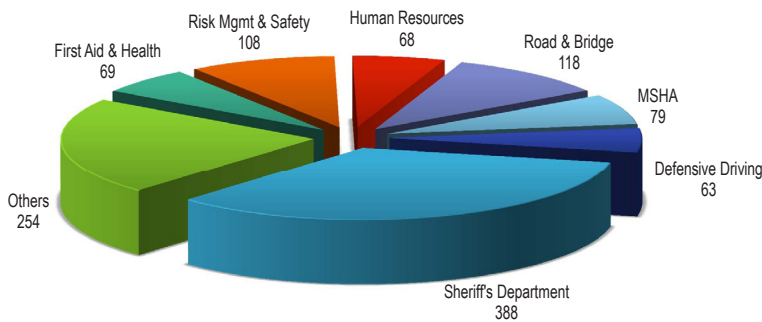
Media resources

CTSI's loss prevention team maintains an extensive reference and video library of more than 200 books and 1,000 videotapes, CDs, and DVDs, available at no cost to member counties covering a variety of loss prevention topics.

Many of these same DVDs are available online at www.ctsifilms.org.

The loss prevention team encourages member counties to use the library as a tool to decrease exposure to loss-causing risks.

CTSI Film Library All Films





The CTSI Loss Prevention Team

Human resources classes are always well-attended and this year was no different. The team presented 59 classes to 1,000 employees covering subjects such as civil rights, harassment prevention, workplace violence, workers compensation, and ADA to a name a few.

The MSHA refresher courses on mine safety and new miner training were also popular with the team presenting 64 classes to 1,469 county employees.

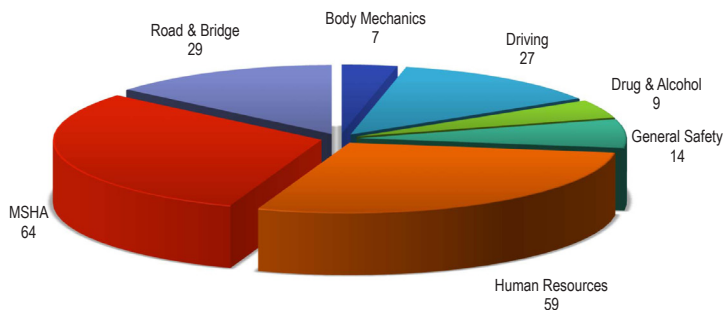
Flagging classes for road and bridge are very popular. CTSI certified 498 employees during 29 classes.

With high losses in the area of driving, more than 439 employees attended one of the 27 classes related to improving their driving skills.

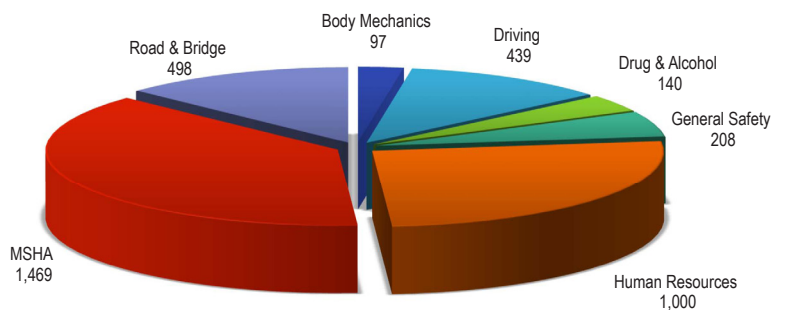
In all, the loss prevention team presented 209 classes to 3,851 county employees, all in an effort to reduce claims before they had a chance to happen.

The CTSI Loss Prevention Team provides high-quality, value-added services to help member counties reduce exposure to loss while improving the safety and efficiency of their workplaces. CTSI loss control services make a difference.

Number of Classes by Topic

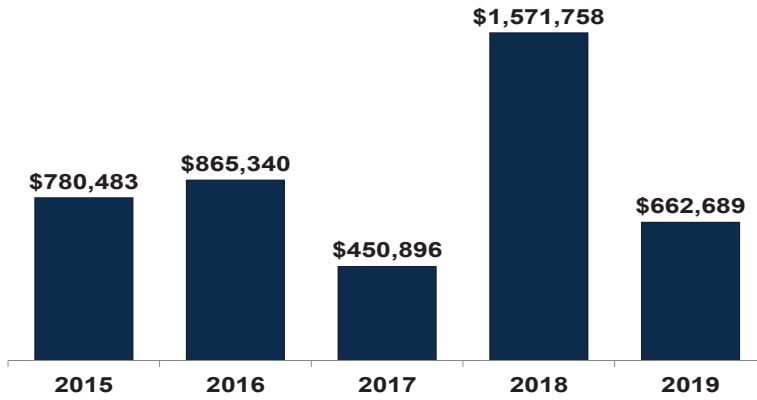


Number of Attendees by Topic

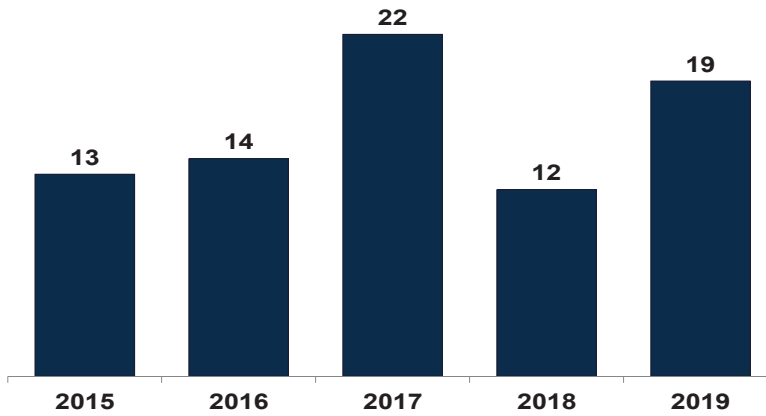




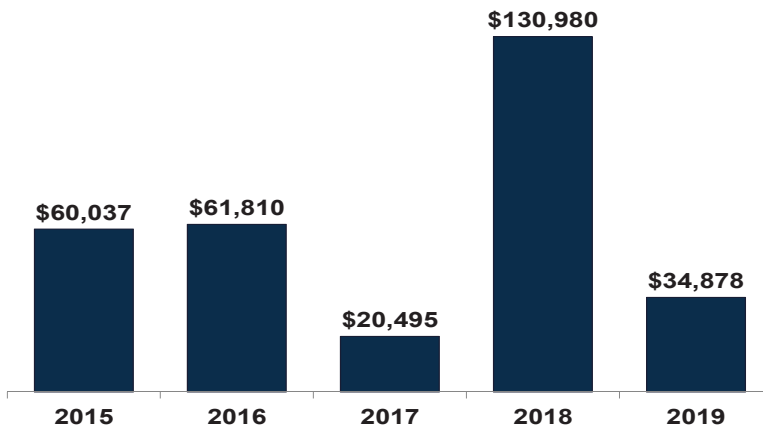
CAPP Employment Claims – Total \$ Incurred



CAPP Employment Claims – Number of Claims



CAPP Employment Claims – Average \$ Incurred





Loss Prevention

Loss Prevention Claims Analysis

CAPP and CWCP loss analysis reports help the loss prevention team and member counties to target high-frequency and high-severity claims. The loss prevention team can then help counties improve their work sites to prevent claims. CTSI’s loss prevention team also conducts audits to help identify loss-causing processes. The team concentrates on auditing work areas and work processes, plus various maintenance and construction processes.

CAPP Loss Analysis – 2019 Claims

Claim Type	
Frequency	Severity
1 Auto Physical Damage	1 Auto Physical Damage
2 General Liability	2 Property
3 Auto Liability	3 General Liability
4 Property	4 Auto Liability
Accident Type	
Frequency	Severity
1 Driving & Vehicle Related	1 Weather Related
2 Driving-Backing	2 Driving & Vehicle Related
3 Weather Related	3 Employment Related
4 Street or Roadway	4 Inmate Related
Cause	
Frequency	Severity
1 Auto Collision	1 Property
2 Auto Liability-Property Damage	2 Auto Collision
3 Property	3 General Liability-Civil Rights
4 General Liability-Property Damage	4 Auto Comprehensive



CWCP Loss Analysis – 2019 Claims

Claim Type	
Frequency	Severity
1 Medical	1 Temporary Total or Temporary Partial
2 Temporary Total or Temporary Partial	2 Medical

Accident Type	
Frequency	Severity
1 Slip, Trip or Fall	1 Slip, Trip or Fall
2 Body Mechanics	2 Body Mechanics
3 Inmate Related	3 Inmate Related
4 Struck Object	4 Training

Injury Type	
Frequency	Severity
1 Strain	1 Strain
2 Contusion, Bruise	2 Fracture
3 Laceration	3 Multiple Injuries
4 Multiple Injuries	4 Gunshot Wound

Body Part	
Frequency	Severity
1 Multiple Body Parts	1 Multiple Body Parts
2 Hand	2 Leg
3 Knee	3 Knee
4 Back	4 Shoulder

Cause	
Frequency	Severity
1 Other Person Confrontation	1 Ice, Snow, Sleet
2 Ice, Snow, Sleet	2 Bodily Motion
3 Bodily Motion	3 Other Person Confrontation
4 Vehicle	4 Heavy Object



Loss Prevention Classes Held

Accident & Incident Investigations for Supervisors
ADA Awareness
ADA Awareness Briefing
ADA Basics for Supervisors and Managers
Basic First Aid with Health Emergencies
Bloodborne Pathogens
Body Mechanics
CDL Drug and Alcohol Awareness
CDL Qualifications, Files & Requirements
Civil Rights and Harassment Prevention Briefing
Civil Rights, Discrimination and Harassment Prevention
Coaching the Emergency Vehicle Operator-Ambulance III
Coaching the Emergency Vehicle Operator-Fire Truck III
Coaching the Emergency Vehicle Operator-Police II
Coaching the Experienced Driver III
Dealing with Difficult People
Drug and Alcohol Recognition for Supervisors
Flagger Certification
FMLA Basic Rules
Hazard Awareness & Body Mechanics
HazCom/GHS
HIPAA Privacy and Security
Managing Supervisors Liability
MSHA Annual Refresher-8 Hour
MSHA New Miner Training-24 Hour
My Conduct at a Traffic Accident Scene
PC Workstation Ergonomics Group Briefing
Preparing For Emergency Response
Reasonable Suspicion Drug & Alcohol Training for Supervisors
Risk Management Using the Safety Committee
Sexual Harassment Prevention Briefing
Stress Management
Supervisory Skills I
Supervisory Skills II
Trail Building Tool Safety
Winter Driving
Workers' Compensation for Supervisors
Workplace Violence Prevention
Workstation Evaluation Essentials



Thank you for your commitment to excellence

CAPP Members

Alamosa	Lake
Archuleta	Las Animas
Baca	Lincoln
Bent	Logan
Chaffee	Mineral
Cheyenne	Moffat
Clear Creek	Montrose
Conejos	Morgan
Costilla	Otero
Crowley	Ouray
Custer	Park
Delta	Phillips
Dolores	Prowers
Eagle	Pueblo
Elbert	Rio Blanco
Fremont	Rio Grande
Garfield	Routt
Gilpin	Saguache
Grand	San Juan
Gunnison	San Miguel
Hinsdale	Sedgwick
Huerfano	Summit
Jackson	Teller
Kiowa	Washington
Kit Carson	Weld
La Plata	Yuma

CWCP Members

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Baca	Lincoln
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Fremont	Pueblo
Garfield	Rio Blanco
Gilpin	Rio Grande
Grand	Routt
Gunnison	Saguache
Hinsdale	San Juan
Huerfano	San Miguel
Jackson	Sedgwick
Kiowa	Summit
Kit Carson	Teller
La Plata	Washington
	Yuma

CHP Members

Alamosa County	Lake County
Archuleta County	Lake Dillon Fire & Rescue
Aspen Springs	Rescue
Baca County	Lake Durango Water Authority
Buena Vista School District	Lake Fork Health Lamar
Busk Ivanhoe Water Authority	Las Animas County Leadville
CCI staff	Lincoln County
Cheyenne County	Logan County
Cheyenne Wells	Lone Cone Library District
Copper MT Cons Metro	Milliken
Custer County	Mineral County
CTSI staff	Minturn
Denver SE Water & Sanitation	Montrose County
Dillon	Morgan County
Dinosaur	NECALG
Eagle Cty Charter Academy	NWCCOG
Eagle Health Services	Norwood
ECCOG	Ouray County
Elbert County	Phillips County
Elbert County Library District	Pine River Irrigation
Georgetown	Prowers County
Hinsdale County	Pueblo Reg. Bldg Dept
Hinsdale School District	Red Cliff
Hot Sulphur Springs	RFTA
Huerfano County	Rifle
Ignacio School District	Rio Blanco County
Jackson County	Rio Grande County
Johnstown	San Miguel County
Keefe Memorial Hospital	Sedgwick County
Kiowa County	Sedgwick Health Ctr
Kit Carson County	Sterling
Kremmling	Superior
	Walden
	Washington County
	Yuma County



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