

STANDING COMMITTEES

Finance and Asset Management Committee

Portage Bay Insurance Annual Report

INFORMATION

For information only.

Attachment

Portage Bay Insurance Annual Report

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History Portage Bay Insurance (PBI) is a not-for-profit single parent captive insurance company. The Board of Regents authorized its creation on July 1, 2002 in order to allow UW to approach reinsurance markets, thereby increasing available markets for catastrophic coverage. Other purposes included retention of investment earnings, regulation by Hawaii Insurance Commissioner, and the ability to creatively craft policies to meet UW's needs.

Lines of Coverage Healthcare professional, general, automobile and employment practices liability.

Goals

1. Satisfy UW's liabilities in four coverage lines
2. Support cost-efficient, high quality reinsurance
3. Provide reasonable budgetary certainty to customers
4. Help reduce exposure to loss
5. Comply with all regulatory and audit requirements

Risk Assessment Risk assessments are done every other year. Currently, there are no extreme or high risks. There is one substantial risk, that being adverse loss experience impacting reinsurance cost or terms. Four medium risks include: deficiencies due to lower than expected investment returns in UW Invested Funds; long term staff or Board of Directors turnover; material changes in known exposures; and acquisition of challenging new exposures. Mitigation strategies have been or are being developed for these four risks.

Audited Financials

	6/30/2016	6/30/2015
Assets	\$77M	\$88M
Liabilities	\$52M	\$62M
Required Capital	\$ 4M	\$ 4M
Investment Return	0.7%	2.7%

Board Members and Officers

Elizabeth Cherry, Associate Vice Provost, Compliance and Risk Services (President)
Marcia Rhodes, Director, UW-M and Health Sciences Risk Management (Vice President)
Craig Watanabe, Strategic Risk Solutions, Hawaii (Secretary and Treasurer)
Tim Dellit, UWP President, Associate Dean for Clinical Affairs, Associate Medical Director, HMC
Mark Green, Vice Dean for Administration and Finance, Dean's Office, SOM
Mike Kelly, Michael Kelly Risk Management Services
Sarah Norris Hall, Associate Vice Provost, Office of Planning and Budgeting
Herb Van Der Veer, Insurance Consultant

Service Providers

Actuary	Matt Corwin, Milliman
Captive Manager	Craig Watanabe, Strategic Risk Solutions
Broker	Ryan Roberts, Parker, Smith & Feek
Legal Counsel	Paul Shimomoto, Char Hamilton Yoshida & Shimomoto
Auditor	Amy Banovich, KPMG LLP
Tax CPA	Richard Buggy, Crowe Horwath LLP