



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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# 2019 OPERATIONS BUDGET

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Overview, Narrative & Appendices

(November 29, 2018)

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UIM & Deductible Selection  
Job Description – Application Support Specialist  
Liability Renewal Proposal (GEM, Munich Re, London & Hallmark)  
Crime Renewal Proposal

# Operations Budget Summary

## Exposures

WSTIP uses employee counts, property values, vehicle values, and even payroll. The most important one, however, is mileage which is used to determine the liability rate and correspondingly, a member's assessment. The estimated mileage for 2019 is just over 100 million miles.

Here are the top three things you need to know about WSTIP's exposures for 2019:

1. Estimated mileage for 2019 is projected to increase 3%. Total miles are 104,760,600.
2. Employee counts have increased 5%. The 2019 estimate is 5,406 employees.
3. Total vehicle values increased 5.9% to \$780,431,061 and total property values increased to \$586,781,535. This is a 9% increase over the prior period. However, it should be noted that the actuary increases the value of property by approximately 4% anticipating the renewal at mid-year 2019. Additionally, members receive deductible credits based on their deductible selections.

Basically, exposures have increased.

### Loss Fund

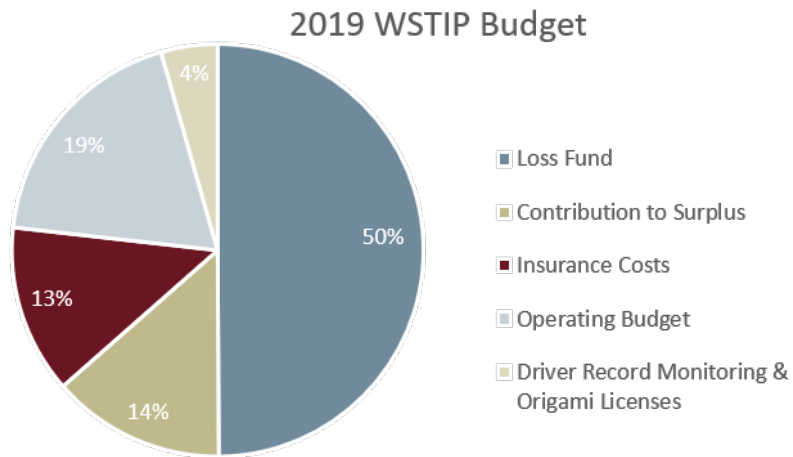
The 2019 loss fund, as determined by the actuary, is \$9,163,403. This budget also assumes a \$2.5 million contribution to surplus.

### Overall Rate Increase of 9%

This rate increase allows a sizeable investment to the loss fund (called an "increased contribution to surplus"). The increased contribution to surplus is a voluntary amount and is in keeping with WSTIP's long-range strategic goal of an optional \$5 million self-insurance retention by 2023.

Included in the overall rate increase are increases to the following individual rates:

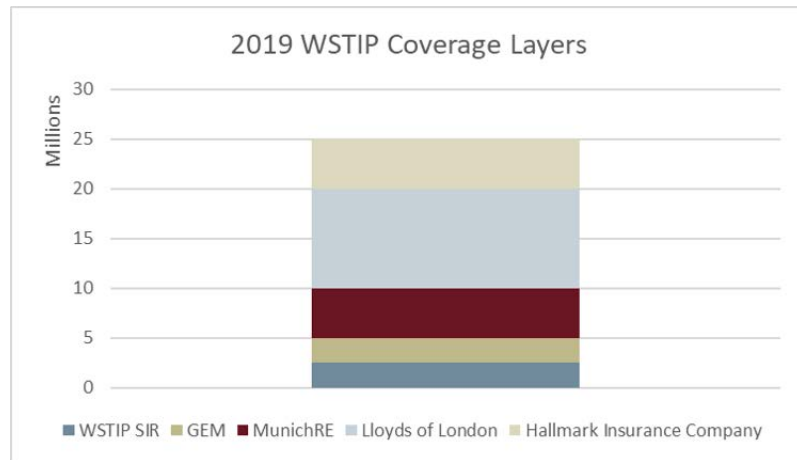
Automobile liability	9% increase
General liability	2% increase
Auto physical damage	24% increase
Property	2% increase



## Loss Fund, Self-Insurance Retention, Insurance, Reinsurance and Excess Insurance

The coverages WSTIP offers is combination of self-insurance, reinsurance (through a captive and from the market) and excess insurance.

Here are the most important things to know about WSTIP's coverages and their costs:



<b>WSTIP Loss Fund</b>	<b>0 - \$2.5 million</b>	<b>\$9,163,403</b>
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Staff and Alliant Insurance Services are recommending renewing with the following carriers and pricing. It is important to note that budgeted amounts may be higher than these actual costs:

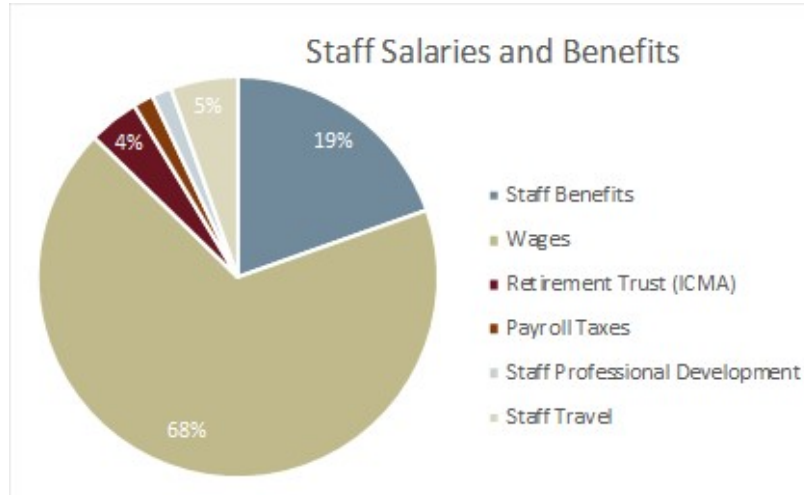
Carrier – Liability	Layer	Cost	Increase/Decrease
Governmental Entities Mutual	\$2.5 million in excess of \$2.5 million	\$840,317	4% decrease
Munich Re	\$10 million in excess of \$5 million	\$390,375	3% decrease
Lloyds of London	\$5 million in excess of \$15 million	\$127,004	2% decrease
Hallmark Insurance Company	\$5 million in excess of \$20 million	\$81,680	2% increase

Carrier – Crime	Layer	Cost	Increase/Decrease
National Union Fire (see Appendix for Crime Proposal)	\$1 million \$10,000 deductible	\$17,510	3% increase

Carrier – Blanket Pollution	Layer	Cost
XL Insurance (Three-year policy)	\$1 million \$100,000 deductible	\$43,654 (already bound)

Carrier – UST	Layer	Cost
Great American	\$1 million per storage tank incident limit \$1 million aggregate per location \$25,000 deductible	\$32,434 (already bound)

## Staff Salaries and Benefits



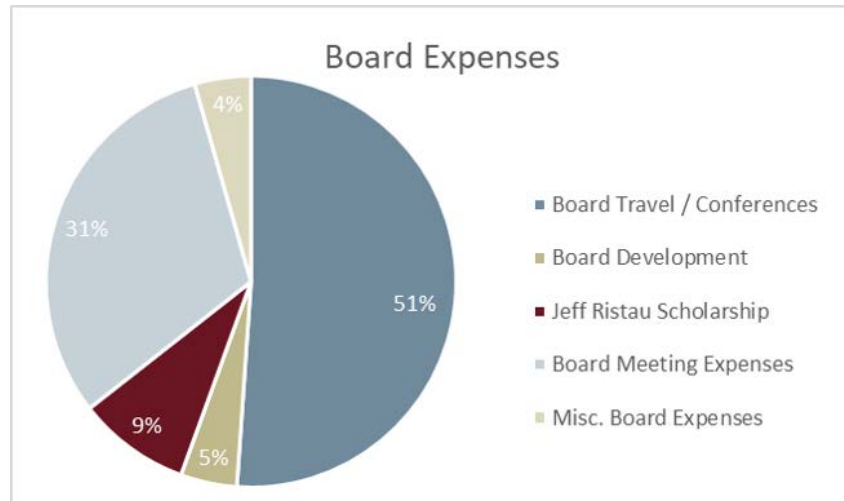
Staff Salaries and Benefits are projected to be a total of \$1,565,782. This is an 8% increase from the 2018 budget. Here are the highlights:

- **Wages (\$1,059,713)** – Representing 68% of the Staff Salaries and Benefits budget, wages include a 3% general wage increase for all staff. Wages for staff, except for the Executive Director, are set by a salary survey conducted every three years. The salary survey was completed this year, reviewed and accepted by the Executive Committee in July 2018, and the effects are reflected in this budget. The general wage increase is tied to the same increase proposed by Intercity Transit for their non-represented employees. Executive Director’s wages and benefits are established by contract which was approved in September 2017.  
\*NEW\* The Staff Salaries and Benefits budget include one new position, Application Support Specialist in the administrative services department. This position will utilize the salary scale of Band C. The positions of Board Relations, Claims Specialist 2, and the Training and Risk Coordinator are also in Band C. (See job description in the appendix.)
- **Staff Benefits (\$306,679)** – Representing 19% of the total amount, staff receive medical, dental, life insurance, and PERS retirement. WSTIP offers a Health Benefit Option that pays employees that opt out of the health benefit plan 50% of the Uniform Medical Plan cost.
- **Staff Travel (\$85,000)** – Costs associated with WSTIP travel.
- **Retirement Trust ICMA (\$63,846)** – WSTIP does not pay into social security. Instead WSTIP provides a 457-plan administered by ICMA.
- **Staff Professional Development (\$25,000)** – Staff development includes attendance at training events, conferences and other educational materials.

*Assumes an operations budget, without insurance costs, of \$3,448,882.*

## Department Budgets

### Board Expenses



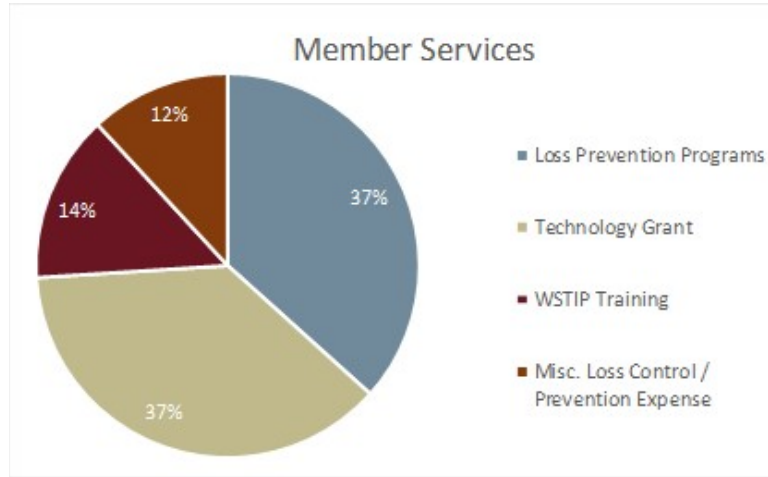
The Board Expenses budget pays for travel-related expenses of the Board members to attend quarterly Board meetings, the Executive Committee members to attend their monthly meetings, training events for Board members and the JSR Scholarship program. This total budget section is \$225,000 which is a 2% increase from 2018.

Highlights of this area include:

- **Conferences/travel for the Board meetings (\$115,000)** – This pays for the expenses of Board members and guests to attend the quarterly Board meetings, and Executive Committee members to attend monthly meetings, committee meetings and accounts for 51% of this budget category. Electronic device grants and reimbursement for devices are included in this budget. \*NEW\* this year is WSTIP will pay for participation at all Committee meetings.
- **Board meeting expenses (\$70,000)** – Hotel costs for quarterly Board meetings are 31% of the budget category. The Board meeting expense budget was increased 8% due to increases costs from hotels and meeting locations.
- **Jeffrey S. Ristau Scholarship (\$20,000)** – 2019 will be the fifth year for the Jeffrey S. Ristau Scholarship program. Funding is established at \$20,000. This is 11% of the budget category.

*Assumes an operations budget, without insurance costs, of \$3,448,882.*

## Member Services / Risk Management Services

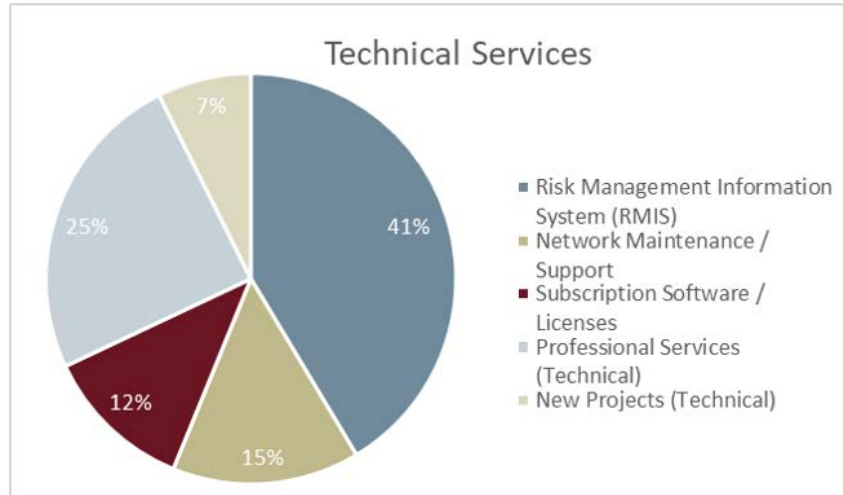


The Member Services / Risk Management Services budget is \$669,200. This is an increase of 63% from 2018. This increase is almost exclusively to the \$250,000 committed to the new Technology Grant. Highlights of the Member Services / Risk Management Services budget include:

- **Technology Grant (\$250,000)** - Represents 37% of the total program. The new program is intended to promote the integration of new technology that will reduce member's cost of risk. The grant program will support 25% of a member's project up to \$250,000.
- **Loss Prevention Programs (\$245,200)** – Represents 37% of the total program and includes the pre-litigation fund, vanpool driver online refresher training program, risk management grants, driver award programs, the Above and Beyond program, conference sponsorships, the guest rider program, and the network security program. This is a 5% decrease from the 2018 budget.
- **WSTIP Training (\$94,500)** – Represents 14% of the total program. WSTIP holds a contract with the WSDOT to perform training. A contract was signed July 1, 2017, and it runs through June 30, 2019; and is in the amount of \$149,000.
- **Miscellaneous Loss Control / Prevention Expenses** is the remaining 12% of the budget and includes:
  - a. **Technical Assistance for Members (\$40,000)** – Funds assistance to members. This is the same as the 2018 budget.
  - b. **Loss Prevention Contracted Services (\$17,000)** – Funds MRSC and MSDS Online. This is the same as the 2018 budget.
  - c. **Miscellaneous Loss Control / Prevention Expense (\$15,000)** – The Emerging Risks and Opportunities Committee has identified several loss and risk items they recommend further research or activity. These items will be forwarded to the Executive Committee for review and possible inclusion on the work plan. Examples of such activity include: simulators; legal research on fitness for duty; pre-employment fitness, CDL health issues and insurability; public record training; operational training and policy and procedure issues; risks assumed under contracts or Interlocal Agreements; personal recording devices; and drones. This is the same as the 2018 budget.

*Assumes an expense budget, without insurance costs, of \$3,448,882.*

## Technical Services



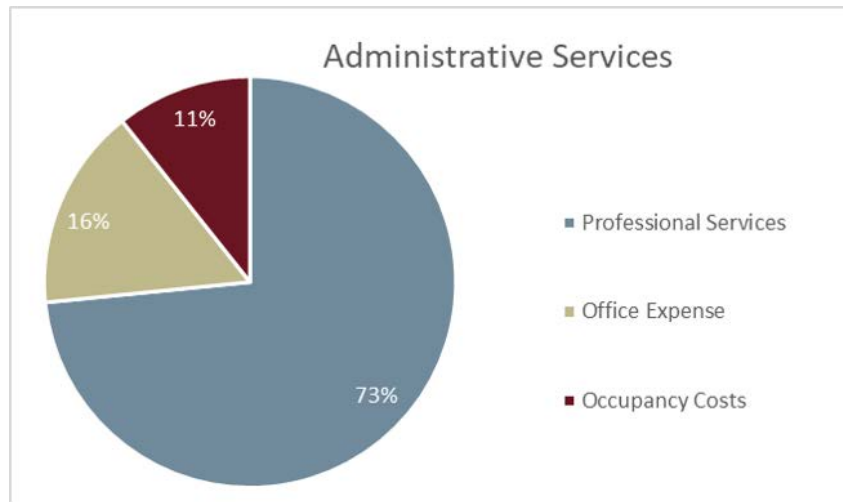
The Technical Services budget is \$338,200, which is a 19% increase from 2018. This increase is due to a new Origami contract, increased use of contract personnel for network maintenance, and an overall increase in costs for other software licenses. Highlights of the Technical Services budget are:

- **Risk Management Information System (\$140,000)** – Origami, our Risk Management Information System, accounts for 41% of the Technical Services Budget. This is an 12% increase in costs over 2018.
- **Contract Services (Technical) (\$83,200)** – Provides contracted desktop support for WSTIP and WSTA staff and network administration (1 day per week on site / 1 day per week off-site). These contracted services are 25% of the Technical Services budget.
- **Network Maintenance/Support (\$50,000)** – This category, representing 15% of the Technical Services budget, covers both network hardware and user access devices (desktop PCs and Surface tablets) as well as miscellaneous purchases to maintain the WSTIP technology infrastructure. This is the same the 2018 budget.
- **Subscription Software / Licenses (\$40,000)** – Software subscriptions, which accounts for 12% of this budget category, are increasing as we continue to move towards cloud hosted applications. These subscriptions include the Microsoft Office 365 desktop suite and hosted Exchange services, Microsoft Enterprise Agreement (EA) hosting infrastructure and Citrix VMs in Azure, web services, ShoreTel support and various administrative applications (Timesheet, QuickBooks, DocuSign, etc.)
- **2019 New Projects (\$25,000)** – Provides for continuing evaluation and implementation of new technology solutions. This is the same as 2018.

*Assumes an expense budget, without insurance costs, of \$3,448,882.*



## Administrative Services



The Administrative Services budget, which includes Professional Services, Office Expenses, and Occupancy Costs is \$650,700. This is a 14% increase from 2018. This increase is due to costs associated with our general counsel and higher accountant costs due to determining accurate pension liability amounts. Budget highlights include:

- **Professional Services (\$477,700)** – Represents 73% of the Administrative Services budget. Contract services includes accountant, actuarial services, audits, broker fees, general counsel and other administrative contracts such as occasional administrative help.
- **Office Expenses (\$103,500)** – Represents 16% of the Administrative Services budget and includes expenses associated office supplies, furniture, postage, dues and subscriptions, printing and graphic services and bank fees. This is an increase of 25%. Printing and graphic services was increased to allow for promotional items celebrating our 30-year anniversary. Office furniture was increased to allow for the purchase office furniture to further complete the standardization of WSTIP furniture.
- **Occupancy Costs (\$69,500)** – Representing 11% of the Administrative Services budget, there is an expectation that building maintenance, utilities, communication and office equipment leases will be in line with prior years. Occupancy costs have increased 29% due to the increase in building maintenance and repairs (final phase of office remodel).

*Assumes an expense budget, without insurance costs, of \$3,448,882.*

## What isn't in the Budget?

### Driver Record Monitoring

Driver record monitoring costs are accounted for as a secondary business. The WSTIP Board approved driver record monitoring rates increases on an annual basis to recoup the DDS costs. Additional money will also be collected to fund a review of the vendor for contract compliance. The funds will be kept in a separate reserve account. The member costs for driver record monitoring follows on the pages 9 and 10.

### Risk Pool Staff Leadership Development Program

WSTIP entered into a memorandum of understanding with other risk pools in Washington to fund and manage a Risk Pool Staff Leadership Development Program. WSTIP volunteered to manage the finances of the development program. Upon conferring with the state auditor, staff were told to keep these funds separated from the rest of the pool's finances.

### Building Reserve Fund

\$25,000 is set aside each year for capital improvements of the West Olympia office. In 2019 a portion of these funds will be used to complete the carpeting installation and paint in the building.

## Driver Record Monitoring

### 2018 Adjustments (actual vs estimate)

		2018 Adjustments		
Member	Actual Records	2018 Actual Cost	2018 Cost Estimate	2018 Adjustment for 2019 Budget
<b>Asotin</b>	324	\$405.12	\$393.12	\$12.00
<b>Ben Franklin</b>	16,078	\$27,360.24	\$19,172.16	\$8,188.08
<b>C-Tran</b>	7,922	\$9,903.60	\$9,812.88	\$90.72
<b>Pullman</b>	418	\$523.28	\$423.36	\$99.92
<b>Clallam</b>	3,095	\$3,869.34	\$3,810.24	\$59.10
<b>Columbia</b>	317	\$396.18	\$408.24	(\$12.06)
<b>Community</b>	22,443	\$86,915.88	\$86,392.80	\$523.08
<b>Everett</b>	1,784	\$2,229.72	\$2,283.12	(\$53.40)
<b>Grant</b>	937	\$1,171.14	\$1,224.72	(\$53.58)
<b>Grays Harbor</b>	765	\$954.54	\$1,179.36	(\$224.82)
<b>Intercity</b>	12,485	\$15,607.10	\$15,694.56	(\$87.46)
<b>Island Transit</b>	3,375	\$4,213.90	\$4,853.52	(\$639.62)
<b>Jefferson</b>	676	\$2,384.54	\$2,399.04	(\$14.50)
<b>Kitsap</b>	8,620	\$10,775.88	\$10,780.56	(\$4.68)
<b>Link</b>	1,552	\$1,939.84	\$1,995.84	(\$56.00)
<b>Mason Transit</b>	1,551	\$1,939.34	\$1,799.28	\$140.06
<b>Pacific</b>	241	\$301.38	\$287.28	\$14.10
<b>Pierce</b>	23,776	\$92,079.93	\$91,353.60	\$726.33
<b>RiverCities</b>	467	\$1,809.09	\$1,825.20	(\$16.11)
<b>Skagit</b>	5,153	\$6,441.94	\$6,380.64	\$61.30
<b>Spokane</b>	10,284	\$12,856.08	\$12,927.60	(\$71.52)
<b>Twin</b>	342	\$427.44	\$438.48	(\$11.04)
<b>Valley</b>	697	\$871.02	\$922.32	(\$51.30)
<b>Whatcom</b>	4,586	\$5,732.68	\$5,700.24	\$32.44
<b>Yakima</b>	2,395	\$2,993.98	\$2,933.28	\$60.70
<b>Grand Total</b>	<b>130,283</b>	<b>\$294,103.18</b>	<b>\$285,391.44</b>	<b>\$8,711.74</b>
Rates January 2018:				
			Basic: \$1.26 / per driver / per month	
			Premium: \$3.90 per driver / per month	
* Actual Record Count / Costs October 2017 - September 2018				
Rates January 2017 - December 2017				

2019 Budget (with 2018 Adjustments)

Member	2019 Estimates			
	2019 Estimated Count	2019 Estimated Cost	2018 Adjustment	Net for 2019 Budget
Asotin	348	\$448.92	\$12.00	\$460.92
Ben Franklin	15,960	\$30,842.28	\$8,188.08	\$39,030.36
C-Tran	8,052	\$10,387.08	\$90.72	\$10,477.80
Pullman	648	\$835.92	\$99.92	\$935.84
Clallam	3,036	\$3,916.44	\$59.10	\$3,975.54
Columbia	312	\$402.48	(\$12.06)	\$390.42
Community	23,088	\$92,813.76	\$523.08	\$93,336.84
Everett	1,764	\$2,275.56	(\$53.40)	\$2,222.16
Grant	924	\$1,191.96	(\$53.58)	\$1,138.38
Grays Harbor	1,116	\$1,439.64	(\$224.82)	\$1,214.82
Intercity	12,588	\$16,238.52	(\$87.46)	\$16,151.06
Island Transit	1,536	\$1,981.44	(\$639.62)	\$1,341.82
Jefferson	696	\$2,535.84	(\$14.50)	\$2,521.34
Kitsap	9,096	\$11,733.84	(\$4.68)	\$11,729.16
Link	1,524	\$1,965.96	(\$56.00)	\$1,909.96
Mason Transit	1,536	\$1,981.44	\$140.06	\$2,121.50
Pacific	228	\$294.12	\$14.10	\$308.22
Pierce	23,796	\$95,659.92	\$726.33	\$96,386.25
RiverCities	468	\$1,881.36	(\$16.11)	\$1,865.25
Skagit	5,208	\$6,718.32	\$61.30	\$6,779.62
Spokane	10,500	\$13,545.00	(\$71.52)	\$13,473.48
Twin	372	\$479.88	(\$11.04)	\$468.84
Valley	684	\$882.36	(\$51.30)	\$831.06
Whatcom	4,032	\$5,201.28	\$32.44	\$5,233.72
Yakima	2,316	\$2,987.64	\$60.70	\$3,048.34
<b>Grand Total</b>	<b>129,828</b>	<b>\$308,640.96</b>	<b>\$8,711.74</b>	<b>\$317,352.70</b>
<p>2019 Rates: Basic: \$1.29 / per driver / per month                      Premium: \$4.02 per driver / per month</p> <p>* Records Estimate Based on September 2018 Record Counts</p>				

## Adoption of Budget

When the Board adopts the budget, staff believe the following decisions have been made:

Approval of an overall budget number.

Approval of a per mile rate increase of 9%.

Approval of a contribution of surplus.

Permission to bind all coverages liability limits to \$25 million.

Approval of a new position, Application Support Specialist 1.

Approval of a general wage increase to staff of 3%.

Approval of new technology grant program (\$250,000).

Approval to increase building reserve fund to from \$15,000 to \$25,000 annually.

## Strategic Plan and Rate Review

The WSTIP Strategic Plan established a goal of no greater than a 5% rate increase over the previous year for liability. However, at the September quarterly Board meeting, staff proposed a 10 percent rate increase which establishes a loss fund of \$9,163,403 and a \$2.5 million equity contribution (contribution to surplus). WSTIP continues its efforts to build equity in accordance with their long-range strategic goal of an option of a \$5 million self-insurance retention by 2023

The 2018 auto liability rate was \$.1154 (per mile). The proposed auto liability rate is \$.1255 (per mile). This is an increase of 9%.

The 2018 general liability rate was \$291.98 (per employee). The proposed general liability rate is \$297.53 (per employee). This is an increase of 2%.

The 2018 property rate (not including vehicles) was .1686 (per \$100 in value). The proposed property rate (not including vehicles) is .1723 which is a 2% increase.

The 2018 property vehicle value rate was .2960 per \$100 in value. The proposed rate is .3670 (per \$100 of value). This is a 24% increase.

The under/uninsured motorist coverage rate (non-vanpool) in 2018 was .0060. The proposed rate for 2018 is .0060. There is no increase or decrease. The under/uninsured motorist coverage rate (vanpool) rate in 2018 was .0075. The proposed rate is .0075.

(Source: Exhibit 8-1 of PwC Actuarial Report for Rates 2018-11-09 v3)

## 2019 Budget Summary

11/29/2018 15:20

**INCOME**                      **EXPENSES**

<b>Member Assessments</b>	\$17,117,113	
<b>Loss Fund @ Expected (net of deductible)</b>		\$9,163,403
<b>Addition to Surplus</b>		\$2,500,000
<b><u>Insurance Costs</u></b>		\$2,336,675
<b><u>Operating Budget</u></b>		\$3,448,882
<b><u>Interest Income</u></b>		-\$450,000
<b><u>Other Rating Cost Components</u></b>		
<i>Other Insurance, DRM, Origami Licensing</i>		\$814,451
UIM (back-out as it is included in loss fund)		-\$342,750
<b><u>Prior Year Adjustments (Debits/Credits for Mileage)</u></b>		-\$354,233
		<hr/>
	\$17,117,113	\$17,116,428
<b>Actuarial Adjustment (to balance)</b>	\$685	
<b>What's Not in the Budget?</b>		
Building Reserve Fund	\$25,000	

**Washington State Transit Insurance Pool  
2019 Operations Budget**

without insurance

**2019 Operations Budget**

11/29/2018 15:17

	<b>2019</b>	<b>% Change</b>	<b>2018</b>	
<b>720.01 · Staff Wages</b>	\$1,059,713	11%	\$952,380	Includes new A
<b>720.02 · Staff Benefits</b>	\$306,679	3%	\$298,617	
<b>720.03 · ICMA Retirement Trust</b>	\$63,846	12%	\$57,188	
<b>720.04 · Payroll Taxes</b>	\$25,544	-4%	\$26,724	
<b>720.05 · Staff Professional Development</b>	\$25,000	0%	\$25,000	\$2500 * 10 em
<b>720.06 · Staff Travel</b>	\$85,000	0%	\$85,000	
	<b>\$1,565,782</b>	<b>8%</b>	<b>\$1,444,909</b>	
<b>730.01 · Board/Conference Travel</b>	\$115,000	-4%	\$120,000	
<b>730.02 · Board Development</b>	\$10,000	0%	\$10,000	
<b>730.03 · Board Meeting Expenses</b>	\$70,000	8%	\$65,000	
<b>730.04 · Misc Board Expenses</b>	\$10,000	100%	\$5,000	
<b>730.05 · Jeff Ristau Scholarship</b>	\$20,000	0%	\$20,000	
	<b>\$225,000</b>	<b>2%</b>	<b>\$220,000</b>	
<b>740.00 · Contracted Services</b>				
740.01 · MSDS Online	\$7,000	0%	\$7,000	
740.02 · MRSC/WSTA	\$10,000	0%	\$10,000	
<b>Total 740.00 · Contracted Services</b>	<b>\$17,000</b>	<b>0%</b>	<b>\$17,000</b>	
<b>740.20 · Loss Prevention Programs</b>				
740.10 · Pre-Litigation Fund	\$55,000	0%	\$55,000	
740.11 · Vanpool Driver Online Refresher	\$5,200	0%	\$5,200	
740.12 · Risk Management Grant	\$62,500	-5%	\$66,000	\$2500 per Men
740.13 · Recognition Programs	\$22,500	0%	\$22,500	renamed (was I
740.14 · Sponsorships	\$15,000	0%	\$15,000	
740.15 · Guest Rider Program	\$15,000	0%	\$15,000	
740.16 · Network Security Project	\$50,000	-17%	\$60,000	
740.17 · Collision Avoidance Technology	\$20,000	0%	\$20,000	
<b>Total 740.20 · Loss Prevention Programs</b>	<b>\$245,200</b>	<b>-5%</b>	<b>\$258,700</b>	
<b>740.30 · Tech Assistance for Members</b>	\$40,000	0%	\$40,000	
<b>NEW Technical Grant</b>	<b>\$250,000</b>	<b>100%</b>	<b>\$0</b>	<b>NEW</b>
<b>740.40 · WSTIP Training</b>	\$94,500	27%	\$74,500	
<b>740.50 · Misc Loss Control/Prevention</b>	\$15,000	0%	\$15,000	
<b>740.60 · Claims Coordinator Conference</b>	\$7,500	50%	\$5,000	
	<b>\$669,200</b>	<b>63%</b>	<b>\$410,200</b>	
<b>710.01 · Risk Mgmt Information System</b>	\$140,000	12%	\$125,000	
<b>710.02 · Network Maintenance/Support</b>	\$50,000	0%	\$50,000	
<b>710.03 · Subscription Software/Licenses</b>	\$40,000	33%	\$30,000	
<b>710.04 · Contract Services (Tech)</b>	\$83,200	51%	\$55,000	Renamed
<b>710.05 · New Projects (Tech)</b>	\$25,000	0%	\$25,000	
	<b>\$338,200</b>	<b>19%</b>	<b>\$285,000</b>	
<b>700.12 · TC Investment Fees</b>	\$10,000	100%	\$0	New Investmer
<b>700.11 · Contracted Services (Claims)</b>	\$30,700	100%	\$0	Allocation from
<b>700.01 · Insurance Broker</b>	\$115,000	5%	\$110,000	
<b>700.02 · Actuary</b>	\$100,000	25%	\$80,000	Increase for UII
<b>700.03 · Financial/Accountability Audits</b>	\$15,000	25%	\$12,000	Program fees +
<b>700.04 · State Risk Manager</b>	\$17,000	0%	\$17,000	Renamed
<b>700.05 · Claims/Property/AGRIp Audits</b>	\$15,000	0%	\$15,000	Claims audit co
<b>700.06 · Accountant</b>	\$35,000	75%	\$20,000	
<b>700.07 · Contracted Services (Admin)</b>	\$40,000	-33%	\$60,000	Splitting last ye
<b>700.08 · General Counsel</b>	\$100,000	43%	\$70,000	Jan-October \$9
<b>700.09 · Capital Funding Study</b>	\$0	-100%	\$40,000	Every 3 years /
<b>700.10 · Salary Survey</b>	\$0	-100%	\$12,000	Every 3 years /
	<b>\$477,700</b>	<b>10%</b>	<b>\$436,000</b>	
<b>749.01 · Office Furniture</b>	\$25,000	67%	\$15,000	Finish out furni
<b>749.02 · Dues &amp; Subscriptions</b>	\$15,000	0%	\$15,000	
<b>749.03 · Office Supplies</b>	\$25,000	0%	\$25,000	



**Washington State Transit Insurance Pool  
2019 Operations Budget**

without insurance

	<b>2019</b>	<b>% Change</b>	<b>2018</b>	
<b>749.04 · Postage</b>	\$4,000	14%	\$3,500	
<b>749.05 · Printing &amp; Graphic Services</b>	\$20,000	67%	\$12,000	Increased in ex
<b>749.06 · Bank Fees</b>	\$12,000	0%	\$12,000	US Bank
<b>749.07 · Wellness Committee</b>	\$2,500	100%	\$0	Previously unbi
	<b>\$103,500</b>	<b>25%</b>	<b>\$82,500</b>	
<b>777.01 · Building Mtce/Repairs</b>	\$25,000	108%	\$12,000	Finish out Offic
<b>777.02 · Utilities</b>	\$16,000	0%	\$16,000	
<b>777.03 · Communication</b>	\$20,000	0%	\$20,000	
<b>777.04 · Office Equipment Lease</b>	\$6,000	0%	\$6,000	
			\$0	
<b>777.06 · Lease Hold Rent Taxes</b>	\$2,500	100%	\$0	Missed in 2018
	<b>\$69,500</b>	<b>29%</b>	<b>\$54,000</b>	
<b>Pierce Collision Avoidance Grant</b>			<b>\$100,000</b>	
<b>Total 2019 Operations Budget</b>	<b>\$3,448,882</b>	<b>14%</b>	<b>\$3,032,609</b>	
<b>Total without Technology Grant</b>	<b>\$3,198,882</b>	<b>5%</b>		

## 2019 Insurance Services

11/29/2018 15:01

Liability Reinsurance 2.5m sx 2.5m (2.5 - 5m)  
 Liability Excess 10m sx 5m (5m-15m)  
 Liability Excess 5m sx 15m (15m-20m)  
 Liability Excess 5m sx 20m (20m-25m)  
 610.05 · Property/APD  
 610.06 · Pollution  
 610.07 · Underground Storage Tank  
 610.08 · Crime

### Insurance Services

	2019 Budget	% Change	2018 Budget
Liability Reinsurance 2.5m sx 2.5m (2.5 - 5m)	\$840,317	-3.5%	\$871,010
Liability Excess 10m sx 5m (5m-15m)	\$390,375	-3.4%	\$404,183
Liability Excess 5m sx 15m (15m-20m)	\$127,004	-2.3%	\$130,000
Liability Excess 5m sx 20m (20m-25m)	\$81,680	2.0%	\$80,078
610.05 · Property/APD	\$897,299	9.3%	\$820,797
610.06 · Pollution	\$43,654	-3.0%	\$45,001
610.07 · Underground Storage Tank	\$32,434	-40.1%	\$54,126
610.08 · Crime	\$17,510	3.0%	\$17,000
<b>Total Insurance Services</b>	<b>\$2,430,273</b>	<b>0.3%</b>	<b>\$2,422,195</b>

**Total Expenses (without Insurance)**      \$3,448,882      \$2,336,675  
**Total Expense (with Insurance)**      \$5,879,155  
**Total (Ops, Insurance, Loss Fund)**      \$17,542,558

## 2019 Loss Fund

Auto Liability  
 General Liability  
 Auto Physical Damage  
 Property

### Loss Fund

	2019	% Change	2018
Auto Liability	\$7,508,606	5%	\$7,122,660
General Liability	\$963,003	6%	\$909,180
Auto Physical Damage	\$523,029	3%	\$507,755
Property	\$168,765	38%	\$122,301
<b>Total Loss Fund</b>	<b>\$9,163,403</b>	<b>6%</b>	<b>\$8,661,896</b>

## 2019 Addition to Surplus

### Addition to Surplus

	2019	% Change	2018
	\$2,500,000	56%	\$1,600,000

2019 UIM & Deductible Selection					
11/29/18 03:33 PM					
Transit Name	Fixed Route UIM Coverage	Demand Response UIM Coverage	Vanpool UIM Coverage	Non-Revenue UIM Coverage	Auto-Physical Damage Deductible
Asotin	Yes	Yes	UIM Mandatory	Yes	\$5,000
Ben Franklin	No	No	UIM Mandatory	No	\$5,000
C-Tran	No	No	UIM Mandatory	No	\$10,000
Clallam	Yes	Yes	UIM Mandatory	Yes	\$5,000
Columbia	No FR	Yes	UIM Mandatory	Yes	\$5,000
Community	No	No	UIM Mandatory	No	\$5,000
Everett	Yes	Yes	No vanpool	Yes	\$0
Grant	No	No	UIM Mandatory	No	\$5,000
Grays Harbor	Yes	Yes	UIM Mandatory	Yes	\$5,000
Intercity	Yes	Yes	UIM Mandatory	Yes	\$5,000
Island	Yes	Yes	UIM Mandatory	Yes	\$5,000
Jefferson	Yes	Yes	UIM Mandatory	Yes	\$5,000
Kitsap	Yes	Yes	UIM Mandatory	Yes	\$5,000
Link	Yes	Yes	No vanpool	Yes	\$5,000
Mason	No	No	UIM Mandatory	No	\$5,000
Pacific	Yes	Yes	No vanpool	Yes	\$5,000
Pierce	No	No	UIM Mandatory	No	\$25,000
Pullman	Yes	Yes	No vanpool	Yes	\$0
RiverCities	Yes	Yes	No vanpool	Yes	\$5,000
Skagit	No	No	UIM Mandatory	No	\$5,000
Spokane	No	No	UIM Mandatory	No	\$25,000
Twin	Yes	Yes	UIM Mandatory	Yes	\$5,000
Valley	Yes	Yes	UIM Mandatory	Yes	\$5,000
Whatcom	Yes	Yes	UIM Mandatory	Yes	\$5,000
Yakima	Yes	Yes	UIM Mandatory	Yes	\$5,000



## Application Support Specialist 1

**Reports to:** Administrative Services Manager

**Status:** Exempt, Salary

### **DESCRIPTION**

The purpose of this position is to manage enterprise applications including configuration, documentation and user support. This position will work under supervision to gather user requirements and implement customized solutions on existing platforms and to research and recommend new products and technologies. The Application Support Specialist 1 does not supervise other positions.

### **ESSENTIAL JOB FUNCTIONS**

1. Support and administer the Risk Management Information System (RMIS), Origami Risk. This is the Pool's primary line of business application. You will provide support to Staff and Members; gather reporting requirements, design and manage reports and templates; act as a liaison with Origami support; manage permissions and user groups; and coordinate Member's use of the mobile application.
2. Under supervision, gather requirements and configure system for member customizations to the Origami system. This task will require strong XML skills; ability to develop, document and maintain workflows; general understanding of relational databases; working knowledge of SQL and ability to modify existing queries and scripts. This is not a database administration or development position.
3. Maintain the enterprise content management system (Laserfiche), support miscellaneous applications including, but limited to Office 365 applications and websites. Research and recommend new web services and coordinate integrations.
4. Provide support for Staff. Troubleshoot desktop issues, and either resolve or assign to the contracted desktop support provider. Tasks will include, but are not limited to, troubleshooting and prioritizing technical issues, password resets, basic usability answers for Staff, reconfiguring software, etc. This position is not a dedicated help desk position.
5. Work with the Administrative Services Manager to develop the three-year workplan, research and recommend new technology applications, and stay current with industry trends.
6. Develop technical documentation and reference material.
7. Attend staff meetings, trainings, and seminars as requested.
8. Represent WSTIP on the WSTA Information Technology Committee.
9. Perform other duties as assigned.

## **STANDARDS OF PERFORMANCE**

1. Strive to stay up to date through ongoing training, networking and regular reviews of current relevant trade journals
2. Report to work as scheduled.
3. Maintain confidentiality of all information related to members, staff, employees, and other information as appropriate.
4. Demonstrate positive interpersonal relations in dealing with fellow employees, WSTIP members, WSTA employees, and vendors so that productivity and positive relations are maximized.
5. Identify and work cooperatively with internal and external stakeholders on projects and communicate information and decisions through written communication and presentations.
6. Actively support and incorporate WSTIP's vision, mission, core values, and strategic priorities into daily activities.

## **KNOWLEDGE, SKILLS AND ABILITIES**

### **Required Technical Skills**

- Strong XML / CSS experience.
- Proficiency with Microsoft Office 365 applications including Word, Excel, and PowerPoint;
- Familiarity with the principles of relational databases.
- Working knowledge of basic SQL queries and statements.
- Prior experience supporting Windows desktop applications.
- Awareness and practice of Network Security principles.

### **Desirable Skills**

- Experience with Laserfiche or another Enterprise Content Management system (ECM)
- Familiarity with Azure
- Familiarity with a Citrix XenDesktop environment
- Project management experience
- Public sector experience
- Experience with Active Directory security and familiarity with Windows Server and basic networking
- Data analytics and reporting tools such as Tableau or Power BI.

### **Ability to:**

- Work independently with limited supervision.
- Communicate effectively, both orally and in writing.
- Write clear, concise and accurate reports and correspondence.
- Speak in public and provide supporting visual information.
- Perform work accurately with strict attention to detail.
- Plan and organize work in an efficient, cost effective and results-focused manner.
- Work well under pressure and in high stress situations.
- Quickly switch from one task to another.

- Establish and maintain effective and cooperative working relationships with members, outside consultants, service providers, vendors and the public.
- Provide excellent customer service to the membership.
- Interact favorably with people and work effectively in a team environment.
- Learn to use proprietary software (in particular WSTIP's risk management information system).
- Travel out of the area on occasion, including overnight stays.

**Education and Experience:**

- High school diploma or equivalent;
- Demonstrated experience with XLM; and
- Two years' experience in an IT related position, preferably direct application and/or user support.

**License and Certification:**

- Valid Washington State driver's license at the time of hire with excellent driving record and vehicle available for work-related travel.

**WORKING CONDITIONS/PHYSICAL DEMANDS**

Work is generally performed in a fast-paced office environment with frequent interruptions.

**Strength:** Lifting and carrying general office supplies and files; typically weighing less than 25 pounds.

**Manual Dexterity:** Ability to consistently perform moderately difficult manipulative skills such as typing and word processing.

**Mobility:** Ability to climb ladders, stairs, ramps, stoop, kneel, crouch, reach and move around in crawl spaces and areas with low ceilings while making on-site physical risk control inspections. Ability to walk at least ½ mile on variety of surfaces. Ability to sit for extended periods of time.

**Visual Discrimination:** Ability to consistently identify objects and persons at a distance; read fine print on records and forms.

**Hearing:** Ability to consistently distinguish normal sounds with some background noise; multiple sounds in a stimulated environment; and verbal language and tones on the telephone.

**Speech:** Ability to speak clearly and make one-self understood in a one-on-one basis with individuals and in group settings.

*The statements contained herein reflect general details as necessary to describe the principal functions of this job, the level of knowledge and skill typically required and the scope of responsibility, but should not be considered an all-inclusive listing of work requirements. Individuals may perform other duties as assigned including work in other functional areas to cover absences or relief, to equalize peak work periods or otherwise to balance the workload. Furthermore, they do not establish a contract for employment and are subject to change at the discretion of the employer.*



# Washington State Transit Insurance Pool

## Liability Insurance Proposal 2019 – 2020

Presented on November 29, 2018 by:

Brian White  
First Vice President

Lilian Vanvieldt  
Senior Vice President

Joyce Roberts  
Assistant Account Manager

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1420 Fifth Avenue, Suite 1500  
Seattle, WA 98101  
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CA License No. 0C36861

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## Your Service Team

<b>Brian White</b> First Vice President <a href="mailto:bwhite@alliant.com">bwhite@alliant.com</a>	Phone: 206-204-9126 Cell: 415-203-5983
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<b>Lilian A. Vanvieldt</b> Senior Vice President <a href="mailto:lvandieldt@alliant.com">lvandieldt@alliant.com</a>	Phone: 949-660-8116 Cell: 310-383-4453
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<b>Joyce Roberts</b> Assistant Account Manager <a href="mailto:jeroberts@alliant.com">jeroberts@alliant.com</a>	Phone: 206-204-9175
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<b>Robert Frey</b> First Vice President, Claims Manager <a href="mailto:rfrey@alliant.com">rfrey@alliant.com</a> Claims Consultant	Phone: 415-403-1445 Cell: 415-518-8490
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## Liability Renewal - Reinsurance Layer 1 - \$2,500,000 Excess of \$2,500,000

	Present Coverage	Proposed Coverage
<b>INSURANCE COMPANY:</b>	Government Entities Mutual Inc.	Government Entities Mutual Inc.
<b>A.M. BEST RATING:</b>	Not Rated	Not Rated
<b>COVERAGE TERM:</b>	January 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
<b>REINSURANCE COVERAGE:</b>	General Liability, Automobile Liability, Public Officials Liability, and Employment Practices Liability Coverage	General Liability, Automobile Liability, Public Officials Liability, and Employment Practices Liability Coverage
<b>MILEAGE:</b>	101,912,482	103,137,231
<b>EMPLOYEES:</b>	5,145	5,347
<b>SELF-INSURED RETENTION:</b>	\$2,500,000	\$2,500,000
<b>GEM POLICY LIMIT:</b>	\$2,500,000	\$2,500,000
<b>PREMIUM:</b>	\$ 24,696 GEM Liability Premium – Rate: \$4.80 per # of Employees <u>\$747,162</u> GEM Auto Liability Premium – Rate: \$733.14 per 100,000 miles <b>\$771,858 Total GEM Premium</b>	\$ 27,111 GEM Liability Premium – Rate: \$5.07 per # of Employees <u>\$813,206</u> GEM Auto Liability Premium – Rate: \$788.47 per 100,000 miles <b>\$840,317 Total GEM Premium</b>
<b>OPTIONS:</b>	N/A	N/A
<b>BINDING CONDITIONS:</b>	Written Request to Bind	Written Request to Bind

**See Disclaimer Page for Important Notices and Acknowledgment**

## Liability Renewal - Reinsurance Layer 2 - \$10,000,000 Excess of \$5,000,000

	Present Coverage	Proposed Coverage
<b>INSURANCE COMPANY:</b>	Munich Reinsurance America, Inc.	Munich Reinsurance America, Inc.
<b>A.M. BEST RATING:</b>	A+ (Superior) XV (\$2 Billion or greater) as of 10/19/16	A+ (Superior) XV (\$2 Billion or greater) as of 7/13/18
<b>ADMITTED STATUS:</b>	Admitted	Admitted
<b>COVERAGE TERM:</b>	January 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
<b>REINSURANCE COVERAGE:</b>	General Liability, Automobile Liability, Public Officials Liability (incl. Employment Practices Liability)	General Liability, Automobile Liability, Public Officials Liability (incl. Employment Practices Liability)
<b>UNDERWRITING</b>	WSTIP has been agreed to as the Underwriting Administrator for Covered Business	WSTIP has been agreed to as the Underwriting Administrator for Covered Business
<b>CLAIMS</b>	WSTIP has been agreed to as the Claims Administrator for Covered Business	WSTIP has been agreed to as the Claims Administrator for Covered Business
<b>LIMITS:</b>	\$10,000,000	\$10,000,000
<b>EXCESS OF:</b>	\$ 5,000,000	\$ 5,000,000
<b>PREMIUM:</b>	<b>\$385,739</b>	<b>\$390,375</b>
<b>BINDING CONDITIONS:</b>	N/A	) Written Request to Bind

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## Liability Renewal – Excess Insurance Layer 3 - \$5,000,000 Excess of \$15,000,000

	Present Coverage	Proposed Coverage
<b>INSURANCE COMPANY:</b>	<b>Lloyds of London</b>	<b>Lloyds of London</b>
<b>A.M. BEST RATING:</b>	A+ (Superior) XV (\$2 Billion or greater) as of 2/10/17	A+ (Superior) XV (\$2 Billion or greater) as of 2/10/17
<b>ADMITTED STATUS:</b>	Admitted	Admitted
<b>COVERAGE:</b>	Third Party Excess Liability	Third Party Excess Liability
<b>COVERAGE TERM:</b>	January 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
<b>LIMITS:</b>	\$ 5,000,000	\$ 5,000,000
<b>EXCESS OF:</b>	\$15,000,000	\$15,000,000
<b>Endorsements &amp; Exclusions: (including but not limited to):</b>	<ul style="list-style-type: none"> <li>) Excess Third Party Liability Declarations</li> <li>) Excess Third Party Liability Policy Schedule of Underlying Insurance</li> <li>) Cancellation Clause (Change of Control)</li> <li>) Assistance and Cooperation Amendment Endorsement</li> <li>) Service of Suit Clause (U.S.A.)</li> <li>) TRIA clause</li> <li>) Sanction Limitation and Exclusion Clause</li> </ul>	<ul style="list-style-type: none"> <li>) Excess Third Party Liability Declarations</li> <li>) Excess Third Party Liability Policy Schedule of Underlying Insurance</li> <li>) Cancellation Clause (Change of Control)</li> <li>) Assistance and Cooperation Amendment Endorsement</li> <li>) Service of Suit Clause (U.S.A.)</li> <li>) TRIA clause</li> <li>) Sanction Limitation and Exclusion Clause</li> </ul>
<b>PREMIUM:</b>	<b>\$125,747</b>	<b>\$127,004</b>
<b>BINDING CONDITIONS:</b>	N/A	) Written request to bind

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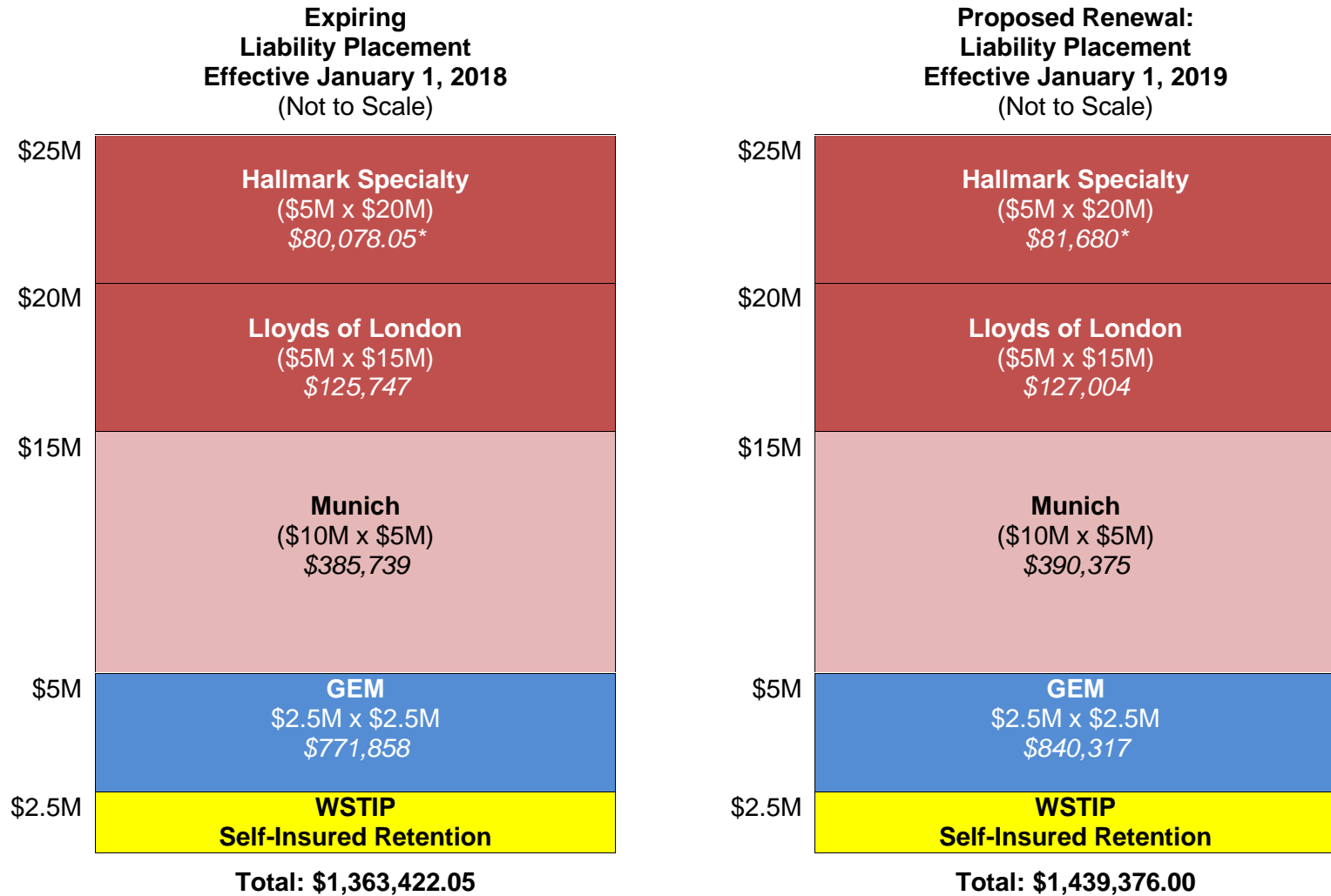
## Liability Renewal – Excess Insurance Layer 4 - \$5,000,000 Excess of \$20,000,000

	Present Coverage	Proposed Coverage
<b>INSURANCE COMPANY:</b>	<b>Hallmark Specialty Insurance Company</b>	<b>Hallmark Specialty Insurance Company</b>
<b>A.M. BEST RATING:</b>	A- (Excellent) VIII (\$100 Million to \$250 Million) as of 8/2/17	A- (Excellent) VIII (\$100 Million to \$250 Million) as of 8/23/18
<b>ADMITTED STATUS:</b>	Non-Admitted	Non-Admitted
<b>COVERAGE:</b>	Third Party Excess Liability	Third Party Excess Liability
<b>COVERAGE TERM:</b>	January 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
<b>LIMITS:</b>	\$ 5,000,000 Any One Occurrence – Member Specific Limit \$ 5,000,000 Aggregate, where applicable	\$ 5,000,000 Any One Occurrence – Member Specific Limit \$ 5,000,000 Aggregate, where applicable
<b>EXCESS OF:</b>	\$20,000,000	\$20,000,000
<b>Endorsements &amp; Exclusions: (including but not limited to):</b>	<ul style="list-style-type: none"> <li>) Excess Public Liability Declarations</li> <li>) Schedule of Forms and Endorsements</li> <li>) Schedule of Underlying Insurance</li> <li>) Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability</li> <li>) Asbestos Exclusion</li> <li>) Earlier Notice of Cancellation – 90 days</li> <li>) Excess Public Entity Liability Coverage – Claims Made Inception Date for the Public Officials / Employment Practices Liability Coverage</li> <li>) Fungi or Bacteria Exclusion</li> <li>) Lead Exclusion</li> <li>) Service of Suit</li> <li>) U.S. Treasury Dept. (“OFAC”)</li> <li>) Terrorism Coverage Disclosure Notice</li> </ul>	<ul style="list-style-type: none"> <li>) Excess Public Liability Declarations</li> <li>) Schedule of Forms and Endorsements</li> <li>) Schedule of Underlying Insurance</li> <li>) Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability</li> <li>) Asbestos Exclusion</li> <li>) Earlier Notice of Cancellation – 90 days</li> <li>) Excess Public Entity Liability Coverage – Claims Made Inception Date for the Public Officials / Employment Practices Liability Coverage</li> <li>) Fungi or Bacteria Exclusion</li> <li>) Lead Exclusion</li> <li>) Service of Suit</li> <li>) U.S. Treasury Dept. (“OFAC”)</li> <li>) Terrorism Coverage Disclosure Notice</li> </ul>

	Present Coverage	Proposed Coverage
<b>PREMIUM:</b>	<b>\$78,431.00 Premium</b> <b>\$ <u>1,647.05</u> Surplus Lines Taxes &amp; Fees</b> <b>\$80,078.05</b>	<b>\$80,000.00 Premium</b> <b>\$ <u>1,680.00</u> Surplus Lines Taxes &amp; Fees</b> <b>\$81,680.00</b>
<b>OPTIONAL TRIA PREMIUM:</b>	\$1,569 – Subject to taxes and fees (not purchased)	\$1,600 – Subject to taxes and fees
<b>BINDING CONDITIONS:</b>	N/A	) Written request to bind ) 2018 WSTIP Actuarial Report ) TRIA Acceptance/Rejection Form

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## Placement Exhibit – Expiring Compared to Proposed Renewal



\*Includes Surplus Lines Taxes and Fees

## Year-Over-Year Comparison

JANUARY 1, 2019 – JANUARY 1, 2020

Coverage	Expiring	Renewal
Excess Liability – Layer 1 (\$2.5M X \$2.5M)	\$771,858	\$840,317
Excess Liability – Layer 2 (\$10M X \$5)	\$385,739	\$390,375
Excess Liability – Layer 3 (\$5 X \$15)	\$125,747	\$127,004
Excess Liability – Layer 3 (\$5 X \$20)	\$ 80,078*	\$ 81,680*
<b>Total Annual Premium</b>	<b>\$1,363,422</b>	<b>\$1,439,376</b>

\*Includes Surplus Lines Taxes & Fees – Excludes TRIA



## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

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## NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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## Other Disclosures / Disclaimers

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- ) Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- ) Travel to any state not previously disclosed.
- ) Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- ) Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- ) Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- ) Circumstances which may require an increased liability insurance limit.

## Other Disclosures / Disclaimers - Continued

- J Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- J Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- J Property of yours that is in transit, unless previously discussed and/or currently insured.

## Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- J Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- J Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- J There may be conflicts in defense when your insurer has to defend both you and the additional insured.

***See Request to Bind Coverage page for acknowledgement of all disclaimers and disclosures.***

## Request to Bind Coverage

Washington State Transit Insurance Pool

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Excess Liability – Layer 1 (\$3M x \$2M) (GEM)	<input type="checkbox"/>
Excess Liability – Layer 2 (\$10M x \$15M) (Munich Re)	<input type="checkbox"/>
Excess Liability – Layer 3 (\$5M x \$15M) (Lloyds)	<input type="checkbox"/>
Excess Liability – Layer 4 (\$5M x \$20M) (Hallmark)	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

\_\_\_\_\_  
**Signature of Authorized Insurance Representative**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.**



# Washington State Transit Insurance Pool

## Government Crime Insurance Proposal 2019 – 2020

Presented on November 29, 2018 by:

Brian White  
Vice President

Joyce Roberts  
Assistant Account Manager

Lilian Vanvieldt  
Senior Vice President

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Seattle, WA 98101  
O 206 204 9140  
F 206 204 9205

CA License No. 0C36861

[www.alliant.com](http://www.alliant.com)

## Government Crime Coverage

	Present Coverage	Proposed Coverage
<b>INSURANCE COMPANY:</b>	National Union Fire Ins. Co. of Pittsburgh, PA	National Union Fire Ins. Co. of Pittsburgh, PA
<b>A.M. BEST RATING:</b>	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of May 23, 2017	A (Excellent), Financial Size Category: XV (\$2 Billion or greater) as of June 20, 2018
<b>STANDARD &amp; POOR'S RATING:</b>	A+ (Strong) as of May 06, 2013	A+ (Strong) as of May 06, 2013
<b>POLICY TERM:</b>	January 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
<b>COVERAGE FORM:</b>	Discovery Form – CR 00 26 05 06	Discovery Form – CR 00 26 05 06
<b>LIMITS:</b>	\$1,000,000 Employee Theft – Per Loss Coverage	\$1,000,000 Employee Theft – Per Loss Coverage
	Not Covered Employee Theft – Per Employee Coverage	Not Covered Employee Theft – Per Employee Coverage
	\$1,000,000 Forgery or Alteration	\$1,000,000 Forgery or Alteration
	\$1,000,000 Inside the Premises – Theft of Money and Securities	\$1,000,000 Inside the Premises – Theft of Money and Securities
	\$1,000,000 Inside the Premises – Robbery or Safe Burglary of Other Property	\$1,000,000 Inside the Premises – Robbery or Safe Burglary of Other Property
	\$1,000,000 Outside the Premises	\$1,000,000 Outside the Premises
	\$1,000,000 Computer Fraud	\$1,000,000 Computer Fraud
	\$1,000,000 Funds Transfer Fraud	\$1,000,000 Funds Transfer Fraud
	\$1,000,000 Money Orders and Counterfeit Money	\$1,000,000 Money Orders and Counterfeit Money
<b>DEDUCTIBLE:</b>	\$ 10,000 Per Occurrence	\$ 10,000 Per Occurrence
<b>ENDORSEMENT &amp; EXCLUSIONS: (INCLUDING BUT NOT LIMITED TO)</b>	<ul style="list-style-type: none"> <li>) Washington Changes</li> <li>) Additional Named Insured – Per submission</li> <li>) Add Faithful Performance of Duty Coverage for Government Employees</li> <li>) Protected Information Exclusion</li> </ul>	<ul style="list-style-type: none"> <li>) Washington Changes</li> <li>) Additional Named Insured – Per submission</li> <li>) Add Faithful Performance of Duty Coverage for Government Employees</li> <li>) Protected Information Exclusion</li> </ul>

	Present Coverage	Proposed Coverage
<b>ENDORSEMENTS &amp; EXCLUSIONS (continued):</b>	<ul style="list-style-type: none"> <li>) Include Designated Person Required to Have Knowledge of Loss (Discovery Form) – <i>Risk Management Department or other department designated to handle insurance matters for the named insured</i></li> <li>) Indirect or Consequential Loss Exclusion</li> <li>) Prior Theft or Dishonesty – \$10,000</li> <li>) Economic Sanctions Endorsement</li> <li>) Cancellation of Policy Amended – 90 days</li> <li>) Bonded Employees Exclusion Deleted</li> <li>) Add Credit, Debit or Charge Card Forgery - \$1,000,000/Includes</li> <li>) Include Volunteer Workers as Employees</li> <li>) Include Specified Non-Compensated Officers as Employees – All</li> <li>) Include Chairperson and Members of Specified Committees as Employees – All</li> <li>) Include Designated Persons or Classes of Persons as Employees – <i>Any directors or trustees of any of those named as insured</i></li> <li>) Include Treasurers or Tax Collectors as Employees – All</li> <li>) Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000/100%</li> <li>) Employee Post Termination Coverage</li> <li>) Impersonation Fraud Coverage -\$100,000 Limit / \$25,000 Deductible</li> </ul>	<ul style="list-style-type: none"> <li>) Include Designated Person Required to Have Knowledge of Loss (Discovery Form) – <i>Risk Management Department or other department designated to handle insurance matters for the named insured</i></li> <li>) Indirect or Consequential Loss Exclusion</li> <li>) Prior Theft or Dishonesty – \$10,000</li> <li>) Economic Sanctions Endorsement</li> <li>) Cancellation of Policy Amended – 90 days</li> <li>) Bonded Employees Exclusion Deleted</li> <li>) Add Credit, Debit or Charge Card Forgery - \$1,000,000/Includes</li> <li>) Include Volunteer Workers as Employees</li> <li>) Include Specified Non-Compensated Officers as Employees – All</li> <li>) Include Chairperson and Members of Specified Committees as Employees – All</li> <li>) Include Designated Persons or Classes of Persons as Employees – <i>Any directors or trustees of any of those named as insured</i></li> <li>) Include Treasurers or Tax Collectors as Employees – All</li> <li>) Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000/100%</li> <li>) Employee Post Termination Coverage</li> <li>) Impersonation Fraud Coverage -\$100,000 Limit / \$25,000 Deductible</li> </ul>
<b>PREMIUM:</b>	\$19,930.00 Annual Premium (\$ 2,989.50) Commission Credit \$16,940.50 Net Annual Cost	\$20,067.00 Annual Premium (\$ 3,010.05) Commission Credit \$17,056.95 Net Annual Cost
<b>QUOTE VALID UNTIL:</b>	N/A	January 1, 2019
<b>BINDING CONDITIONS:</b>	N/A	Written Request to Bind

**See Disclaimer Page for Important Notices and Acknowledgment**

## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).



## NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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## Other Disclosures / Disclaimers

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- ) Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- ) Travel to any state not previously disclosed.
- ) Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- ) Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- ) Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- ) Circumstances which may require an increased liability insurance limit.

## Other Disclosures / Disclaimers - Continued

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Coverage Line	Bind Coverage for:
Government Crime	<input type="checkbox"/>

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\_\_\_\_\_  
**Signature of Authorized Insurance Representative**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.**