



**REQUEST FOR PROPOSALS (RFP)
 INSURANCE BROKERAGE SERVICES
 FOR THE
 WASHINGTON STATE TRANSIT INSURANCE POOL**

INTRODUCTION

The Washington State Transit Insurance Pool (WSTIP or the Pool) is requesting competitive proposals from interested firms for Insurance Brokerage Services (Broker) as described below in the Scope of Work.

Proposals must be sent electronically (PDF) to RFP@wstip.org and must be received by the date and time provided in the Procurement Schedule, or as updated via written Addenda, to be considered. Services shall commence to support the Pool coverage placements starting January 1, 2027. The initial term will be through December 31, 2031, with the possibility of one (1) five-year (5) extension through December 31, 2036 at the Pool's option.

Your firm is invited to submit a written proposal. This invitation is not an authorization to approach the insurance marketplace on behalf of WSTIP. Failing to comply with this condition will be subject to immediate disqualification. This condition does not apply to the incumbent Broker with respect to its current contract.

PROCUREMENT SCHEDULE

Dates preceded by an asterisk (*) are estimated dates and for informational purposes only.

ACTIVITY	DATE – 2026
Procurement Released	March 20
Question & Clarification Deadline	April 3, no later than 1:00 PM PST
Submissions Due	May 8, no later than 5:00 PM PST
*Notice of Intent to Award	June 12
*Estimated Award Date	June 25
Service Commencement	July 1, 2026 for the January 1, 2027 renewals

WSTIP reserves the right to award a Contract(s) without a Best and Final Offer. Issuance of a Notice of Intent to Award is not a substitute for a Contract and can be revoked.

WSTIP reserves the right to modify the Procurement Schedule through written addenda.

WSTIP may invite the firms submitting the highest rated proposals (competitive range) for a semifinal interview/presentation. WSTIP will decide in its discretion whether to have interviews/presentations and the number of firms to be invited. WSTIP will provide requirements of the interview when the interview is scheduled. WSTIP will not be responsible for any costs for interviews including but not limited to travel, expenses, preparations, or materials.

ORGANIZATIONAL OVERVIEW

WSTIP is one of several government insurance pools currently operating in the State of Washington. WSTIP was established in 1989 pursuant to RCW 48.62. Currently, there are 25-member transit agencies which participate in the property and liability programs offered by the Pool.



A list of WSTIP members is shown below:

1. Asotin County Public Transportation Benefit Area;
2. Ben Franklin Transit;
3. City of Ellensburg, d/b/a Ellensburg Central Transit
4. Clark County Public Transportation Benefit Area d/b/a C-TRAN;
5. Chelan/Douglas Transportation Benefit Area Authority, d/b/a Link Transit;
6. Clallam Transit System;
7. Columbia County Public Transportation;
8. Cowlitz Transit Authority, d/b/a RiverCities Transit;
9. City of Everett, d/b/a Everett Transit;
10. Grant Transit Authority;
11. Grays Harbor Transit;
12. Intercity Transit;
13. Island County Public Transportation Benefit Area, d/b/a Island Transit;
14. Jefferson Transit Authority;
15. Kitsap County Public Transportation Benefit Area, d/b/a Kitsap Transit;
16. Mason Transit Authority;
17. Pacific County Public Transportation Benefit Area, d/b/a Pacific Transit System;
18. Pierce Transit;
19. City of Pullman, d/b/a Pullman Transit;
20. Skagit Transit;
21. Snohomish County Public Transportation Benefit Area, d/b/a Community Transit;
22. Spokane Transit Authority;
23. Valley Transit;
24. Whatcom Transportation Authority; and
25. City of Yakima, d/b/a Yakima Transit.

Table 1 – WSTIP Membership

Community Transit, Intercity Transit, and Pierce Transit also operate Sound Transit bus services.

WSTIP provides in-house claims processing, loss prevention, and training services, and is governed by a Board of Directors consisting of one (1) member from each of the 25 agencies and an Executive Committee consisting of nine (9) elected board members. WSTIP has staff of 14 full-time employees, is regulated by the Washington State Risk Manager, and is audited annually by the Washington State Auditor.

Some key challenges WSTIP faces include the ability to gain interest and maintain appeal to re-insurers based on the business type, executing insurance renewals as an organization located in the State of Washington, and the ongoing hardening of the insurance market in the State of Washington.

POOLED COVERAGE

WSTIP provides the following lines of coverage to our members. The Pool binds coverage, receives the policies, receives and pays the invoices for these pool coverages. The Pool pays a broker fee for these placements. Policies that expire mid-year 2026 will be renewed with the current Broker. Renewals in 2027 will be with the awarded Proposer from this solicitation

Liability. For 2026, WSTIP provides \$30 million in liability limits to its member agencies. All Members participate in the General Liability and Public Officials Liability coverages. After WSTIP's \$1.5 million retention, Governmental Entities Mutual (GEM) carries the next \$3.5 million as reinsurance. Safety National provides the next \$5 million as reinsurance. Munich Re covers the next \$5 million as reinsurance. Metis carries the next \$5 million as reinsurance. Star Stone carries the next \$5 million as excess. Allied World carries the last \$5 million as excess. Liability coverage includes automobile, general, contract, employment practices, employee benefit, stop-gap and errors and omissions liability. Renewal is January 1 for these coverage lines. Premiums are approximately \$18.5 million annually.



See Appendix A - General Liability Coverage Document (occurrence-based form) and Appendix B - Public Officials Liability Coverage Document (claims-made form).

Property Program (which has placements for Property, Auto Physical Damage, Boiler and Machinery, Cyber Insurance, Terrorism, Pollution and Underground Storage Tanks)

Property. Most members participate in the property program and total insurable values exceed \$1 billion. Limits are \$500 million. Per WSTIP's property coverage document, WSTIP self-insures the first \$250,000 of all covered periods except flood and earthquake. For flood coverage the member has a \$250,000 deductible and earthquake coverage the member pays 5% per unit, subject to a \$500,000 minimum. After WSTIP's \$250,000 retention, Alliant's APIP program provides the remaining coverage. Earthquake limits are currently \$35 million and WSTIP anticipates it will continue this amount or greater coverage in the future. The property program renewal is July 1 and the premium for this policy is currently \$2.3 million annually.

See Appendix C - Property Coverage Document

Boiler and Machinery Coverage. Included in cost of excess Property (above).

Cyber Insurance. Twenty-one members, and WSTIP as an entity, participate in a group purchase of a cyber liability policy that is part of the Alliant Property Insurance Program. The limit is \$75 million for all policy holders and \$2 million per member. The deductible is \$5,000, executed through a deductible buy-down. Renewal is annual and is on July 1. The cost of the policy is approximately \$133,000 annually. WSTIP offers excess cyber and excess e-crime insurance on an opt-in basis in addition to this policy. See the "Individual WSTIP Member Insurance, Bond and Special Event Coverage" section. If excess cyber were purchased under a group policy, it would be in addition to our underlying cyber policy and would be part of the pooled coverage in lieu of individual placements.

Auto Physical Damage (APD). Most members participate in the APD coverage. The policy is replacement cost for vehicles less than 10 years old and is limited to \$1,750,000 for any one vehicle, and \$20 million in the aggregate. Per WSTIP's property coverage document (which includes APD), WSTIP self-insures the first \$250,000. After WSTIP's \$250,000 retention, Markel provides the remaining coverage. Renewal is July 1 and the premium for this policy is \$460,000. As part of pooled coverage, WSTIP offers an excess auto physical damage on a group purchase opt in/opt out basis through Burlington Insurance Company that provides purchasers \$10 million in limits above the group purchased coverage of \$20 million. The premium for this policy is \$186,000 annually.

Terrorism Policy. Members participating in this program are part of the property coverage program (21 members). There is a \$25,000 deductible. With Terrorism and Sabotage limited to \$20 million and annual aggregate, and Terrorism Liability limited to \$10 million per occurrence and annual aggregate. Renewal is July 1 where the premium for this policy is \$77,000 annually. The carrier is Price Forbes.

Blanket Pollution Liability. Eighteen members participate in a blanket pollution liability policy. The carrier is Beazley Eclipse. It is a three-year policy that renews April 4, 2027. The premium for the policy is approximately \$51,000 annually.



Underground Storage Tanks (UST). Two (2) members purchase UST as part of a group purchase. The UST policy has a \$1 million limit with an \$8 million aggregate limit. Renewal is October 1 and the premium for this policy is \$13,000 annually. The carrier is Liberty Surplus Insurance Company.

Other Insurance Placements

Crime and Fidelity. Twenty-one members, and WSTIP as an entity, participate in a group purchase of a governmental employee fidelity and crime policy. The limit is \$2 million and the deductible is \$10,000. Renewal is annual on January 1. The cost of the policy is approximately \$30,000 annually. The carrier is National Union Fire Insurance Company.

Trustee (Board) E&O Coverage. WSTIP as an entity purchases a Trustee (Board) E&O policy. The limit is \$3 million and the deductible \$50,000. Renewal is April 1 where the premium for this policy is \$38,000 annually. The carrier is Acrisure Re.

INDIVIDUAL WSTIP MEMBER INSURANCE, BOND AND SPECIAL EVENT COVERAGE

The current Broker places several individual insurance policies for individual WSTIP members. On these placements, the Member may bind coverage (or ask the Pool to bind for them), the Member and the Pool receive a copy of the policy, the invoice is prepared in the name of the Member and both the Member and the Pool receive a copy of the invoice. Payment will be made either by the Member or by the Pool (if that is the request of the Member). If the Pool pays the invoice the Pool will bill-back to the Member. The Broker is allowed to charge a broker fee on individual WSTIP Member insurance and bond placements.

Member	Coverage	Insurance Carrier	Premium
3 Members	Excess Workers Compensation	Arch Insurance Company Star Insurance Company Safety National Casualty Corp	\$ 475,000
1 Member	Commercial General Liability	Lexington Insurance Company	\$ 238,000
1 Member	Excess Commercial General Liability	Lexington Insurance Company	\$ 103,000
1 Member	Security Guard Policy GL & Excess	AIG	\$ 109,000
17 Members	Excess Cyber (\$2M xs \$2M)	AXA via Indian Harbor Insurance Company Cowbell via Palomar Excess & Surplus Company Tokio Marine HCC via Houston Casualty Company	\$ 229,000
4 Members	Excess Cyber (\$2M xs \$4M)	Tokio Marine HCC via Houston Casualty Company	\$ 49,000
7 Members	Excess E-Crime (\$150K xs \$150K)	Relm Insurance Ltd.	\$ 26,000
2 Members	Unmanned Ariel (Drones)	USAIG	\$ 1,000
1 Member	Fiduciary	Travelers	\$ 7,000
1 Member	Business Travel Accident	Chubb Accident and Health	\$ 6,000
2 Members	UST Pollution	Liberty Surplus Insurance Corporation Illinois Union Insurance Company	\$ 27,000
2 Members	Deadly Weapon Response & Felony Assault Program - Work Place Violence	National Union Fire Insurance Company Landmark American Insurance Company	\$ 9,000
1 Member	Architects & Engineers Professional Liability	Landmark American Insurance Company	\$ 8,000
Various Members	Bonds (Notary, Contract, Maintenance Warranty, Sanitary Maintenance) and Special Events Insurance Coverage	Various Carriers	\$ 5,000
			\$1,292,000

[Table 2 – Individual Member Coverages](#)



SCOPE OF SERVICES AND DELIVERABLES

If selected as Broker of record you must agree by written contract to provide the following services. Travel will be reimbursed by WSTIP under the terms of the Contract (see Appendix D):

1. In connection with WSTIP Board meetings, prepare a quarterly report and record a video segment with staff on insurance market trends, including how those trends may affect WSTIP placements. Attend Board meetings in person.
2. Provide a quarterly written report of anticipated insurance markets and renewal terms, analysis of market conditions, and recommendations for renewal. The analysis shall address program design, broadest available coverage terms, pricing, optimal retention levels, insurer stability and security, and services available to WSTIP. Broker will bind coverage at the direction of WSTIP.
3. Prepare renewal specifications for review and approval by WSTIP at least 145 days prior to renewal. 45 days prior to renewal Broker shall provide specimen policies for review and approval by WSTIP. Deliver confirmation of coverage placement, verify accuracy and adequacy of insurance contracts, endorsements, and invoices. Monitor financial information on WSTIP carriers and alert WSTIP when they fall below Broker's minimum financial guidelines. The Broker's minimum financial guidelines for carriers shall be provided to WSTIP upon selection and must be approved by WSTIP.
4. No less than quarterly, prepare a clear and concise summary of each major line of coverage for WSTIP's use, including key terms, conditions, limits, and exclusions. This summary shall explicitly compare coverages with those offered by the Pool, highlighting and explaining any potential gaps or overlaps in coverage.
5. Be available upon reasonable notice to meet with WSTIP members, board/committees, and staff as necessary. Meetings may be virtual or in-person at the discretion of WSTIP or its members.
6. Actively assist WSTIP in its marketing activities to existing and prospective members, including a mutually agreed-upon number of visits with WSTIP members at their locations annually, or as requested.
7. Issue binders, certificates, loss payable forms, and other documents as required by WSTIP. Maintain comprehensive and accurate records, preferably in a readily accessible digital format, including records of marketing packages, policies, premiums, audits, loss data, and any other pertinent information affecting coverage placed by Broker. WSTIP shall have direct, secure access to these records as mutually agreed upon.
8. Evaluate coverage applicability on all placed insurance and reinsurance, as needed when coverage issues arise. Provide proactive advice and assist in the negotiations and settlement strategies with insurance carriers when requested by WSTIP. Prepare loss notices and review proof of loss documents and provide them to the carriers upon WSTIP's request, ensuring timely submission and follow-up.
9. No less than quarterly, prepare and present a formal report of Broker activities. Meet yearly with WSTIP to discuss setting goals and objectives for the upcoming year. Broker may also have standing meetings with WSTIP on a monthly basis. Meetings may be in-person or virtual at WSTIP's discretion.
10. Be available to review leases and contracts to ensure WSTIP members meet insurance and indemnification requirements, as needed.



11. Following the Pool's property appraisal guidelines, provide property appraisal services among pre-determined groups in which one appraisal route/group is completed annually so all Member properties are appraised once every three years.
12. Assign no less than two (2) principals or account executives meeting or exceeding the minimum qualifications outlined in "Minimum Proposer Qualifications". In the event a direct account manager is replaced, the replacement must meet or exceed the same minimum qualifications, unless otherwise approved in writing by WSTIP.
13. The Broker must be willing to work on a flat fee basis. It is desirous by WSTIP that the majority of compensation is on a flat fee basis. Broker compensation will primarily be a direct flat fee (a Broker Fee) paid by WSTIP for the coverage noted in the "Pooled Coverages" section. WSTIP would be agreeable that the coverage noted in the "Individual WSTIP Member Insurance, Bond and Special Event Coverage" section remain on a commission basis. If that is the case, please specify the commission percentage for this insurance. WSTIP understands that some underwriters/carriers will only work on a commission basis. All income received from the carriers must be disclosed and deducted from the fee. The fee schedule should include the method used to charge for any special requests, reports, or broadening of the scope of work beyond that described in this RFP, including the methodology for extension of rates in subsequent years. However, if the Broker is to earn commissions on any specific insurance products from carriers, this must be explicitly disclosed to WSTIP and receive prior written approval before placement. Additionally, all contingency fees must be fully disclosed and acknowledged by WSTIP prior to any placement.
14. The Broker's use of intermediaries or use of wholesale brokers and whether or not any compensation or commissions received from them or other similar facilities will be credited to WSTIP's fees.
15. In accordance with WAC 200-100-080(2)(c) the Pool shall establish a contract provision which *"requires the broker provide to the program [the Pool] a written annual report on a form provided by the state risk manager which discloses the actual financial compensation received. The report shall include verification that no undisclosed commission was received as a result of any such insurance transaction made on behalf of the program [the Pool]"*. WSTIP also requires written annual report that further discloses the composition of the "Non-Contingent Commission or Established Fees" that are reported in the state risk managers broker of record form.
16. Broker will provide any other services deemed appropriate by WSTIP and/or Broker.

CONTRACT REQUIREMENTS

The successful Broker shall enter into a Contract as provided with this RFP (see Appendix D), that includes, the following terms and conditions:

- **Five-Year Contract with One Five-Year Extension** - The agreement is for one (1) five-year term commencing at contract execution to support the coverage placements starting January 1, 2027. The initial term will be through December 31, 2031, with either party having the ability to terminate the agreement as provided in "Terminations" under the contract. The agreement allows for one (1) five-year extension through December 31, 2036, at the sole option of WSTIP.
- **Professional Liability** - Broker shall purchase and maintain Professional Liability (Errors and Omissions) insurance in the amount of \$10 million per claim and in the aggregate. A copy of the insurance policy is required from the awarded Proposer as a condition of Contract execution



- **Other Insurance** – Broker shall retain other insurance as provided in the draft contract (see Appendix D). A copy of all insurance policies are required from the awarded Proposer as a condition of Contract execution
- **Indemnification Clause and Limitation of Liability** - Broker shall agree to an indemnification provision as described in the contract (see Appendix D).
- **Non-Compete Clause** - Broker shall agree to the following non-competes clause:
 - During the term of this Agreement and for a period of two (2) years immediately after termination of the Agreement, neither Broker nor its subsidiaries shall, directly or indirectly, call upon, solicit or otherwise attempt to divert in any manner any WSTIP member to itself or to any other insurance company, entity or any other organization. Broker further agrees not to provide any insurance Brokerage services in the State of Washington to any prospective member identified by WSTIP during the term of this Agreement.
 - Notwithstanding the foregoing, the restrictions set forth in the preceding paragraph shall not apply to any of the persons and entities listed on Table 1 (page 2 herein) to whom Broker, and its subsidiaries and affiliates currently provide insurance Brokerage, risk consulting, risk financing, risk transfer, risk management, employees benefits or other insurance-related services or risk consulting services.
- **Economic Price Adjustments** – In the event WSTIP extends the Contract an additional term, the Contractor will provide pricing for the new term. Any additional Contract price decreases and increases, over and above the contracted annual fee or the new term pricing will be calculated using the Producer Price Index (PPI) with the following parameters to obtain the Series ID PCU52421-52421:
 - INDUSTRY: Insurance agencies & brokerages
 - PRODUCT: Insurance agencies & brokerages

The increase allowed will be the difference between the current Contract year and the previous year. Rates will not be adjusted more than 10% above or below the original Contracted amount unless PPI or other verifiable data supports a higher adjustment.

WSTIP, in its sole discretion, will decide whether to approve or deny any adjustment request within thirty (30) days of receipt of request. If approved, a rate increase shall take effect thirty (30) days after approval.

MINIMUM QUALIFICATIONS

At the time of proposal submission, Proposers must meet the following minimum qualifications. Proposers may not substitute the experience of a subcontractor or other carrier for their own.

- Ten (10) years as a licensed Brokerage/agency with at least two (2) principals or account executives with a minimum of ten (10) years' recent experience in public entity insurance and risk management to be available for assignment to WSTIP's account.
- Annual premium volume must exceed \$10 million with at least \$5 million of premium volume from public entity accounts.
- Experience with public risk pools is required. Experience in the transit industry is highly desirable, but other risk pool experience will be considered.



- Has successfully passed a Service Organization Control Type II (SOC2) Audit within the past twenty-four (24) months.
- Able to provide re-insurance carriers that are established for no less than five (5) years, have the financial resources to be a long term strategic partner, and have a minimum AM Best (or equivalent) rating of A- with a financial rating of Class VII or higher.
- Current, active business license to do business in the state of Washington.
- Current, active license with Washington State Insurance Commissioner.
- Current, active registration with Washington State Surplus Lines Association.
- Not be debarred by SAM.gov or Washington State.

PROPOSAL SUBMITTAL STANDARDS

To be considered responsive, all proposals must adhere to the following standards and be organized into the sections outlined below. Proposals must directly address each requirement in the specified order. Failure to comply with these standards may result in disqualification.

General Requirements

- Submission Method: Proposals must be submitted electronically (PDF) via email to RFP@wstip.org by the date and time provided in the Procurement Schedule, or as updated via written Addenda.
- Format: All documents must be submitted in a single, searchable PDF file.
- Exhibits: All exhibits must be completed in their entirety and signed by a representative authorized to enter the Proposer into a contract.
- Page Limits: The entire proposal, excluding exhibits (e.g., resumes, financial statements, references, and required forms), will not exceed 60 pages.
- Formatting:
 - All pages will be numbered sequentially.
 - Use a legible font (e.g., Arial, Calibri) with a minimum font size of 11pt for body text and 10pt for tables/charts.
 - Margins will be at least 1 inch on all sides.
- Table of Contents: A comprehensive Table of Contents with page numbers must be included.
- Responsiveness: All requested information below must be included. If a question or requirement cannot be met, please explicitly state the exception before the close of the Q & A period and provide a clear explanation, including requested deviation/relief (Reference Questions, Clarifications & Deviations & Contact with WSTIP).

WSTIP reserves the right to:

- Award to one or more Proposers
- Accept or reject any or all Proposals and their Proposers
- Reject any or all Proposals until a Contract is signed with the Proposer
- Reject this solicitation and issue a new one for any reason
- Waive deviations from the requirements
- Waive any informality or minor irregularity in Proposals received
- Issue changes to the solicitation in the form of written addenda
- Request additional information to fully evaluate a Proposal



A Proposal may be rejected at WSTIP's discretion when:

- It is late
- Does not meet the formatting requirements outlined
- The Proposer fails to meet the minimum qualifications listed in Minimum Qualifications
- The Proposer is determined to be not responsible as described in "Responsibility Review."
- Any required form is not signed
- Vendor information, references, or any other form is incomplete or incorrect
- Any other reason determined to be in the best interest of the WSTIP
- It does not meet required terms and conditions
- The details of the Proposal have been altered or conditioned
- A Proposer fails to timely respond to a request for additional information
- It fails to contain any of the required information
- A conflict of interest is not properly disclosed
- Proposer fails to acknowledge in writing an addenda

Proposals may not be modified after opening unless requested by WSTIP. Prior to opening, Proposals may be withdrawn at any time.

WSTIP may request that information be displayed differently than presented (for example, request a bundled pricing structure be itemized).

Proposal pricing shall be valid and effective as of the January 1, 2027 contract start date.

WSTIP may request clarification or additional information, including, but not limited to, financial statements.

PROPOSAL CONTENT AND STRUCTURE

Proposers may use Artificial Intelligence (AI) tools in preparing their proposals. However, all representations made in the proposal must accurately reflect the respondent's actual qualifications, staffing capacity, and ability to perform the required services or provide the required supplies.

Any proposal that relies on AI-generated content or representations that do not correspond to the respondent's true capabilities will be considered **a material misrepresentation**.

If it is determined that a respondent has submitted a proposal that misrepresents its ability to perform, WSTIP may, at its sole discretion, pursue any or all of the following actions listed in General Requirements above, in addition to

- **Reject the proposal or terminate an awarded contract for cause.**
- **Withhold or recover payments made under the contract.**
- **Report the respondent to state or federal authorities for false claims or fraudulent misrepresentation.**
- **Disqualify the respondent from future solicitations for a period determined appropriate by WSTIP**



The respondent acknowledges that they bear full responsibility for the accuracy and authenticity of all proposal content, regardless of whether AI tools were used in its creation.

Proposals will address all of the following elements in order. Proposals not addressing an element may be deemed non-responsive and not reviewed. Refer to General Requirements above for formatting information.

Section 1: Executive Summary (maximum 4 pages)

- Provide a concise overview of the Firm's qualifications, understanding of WSTIP's needs and strategic objectives for this engagement, and the key benefits the Firm will deliver.
- Highlight the Firm's unique value proposition and why the Firm is the best fit for WSTIP.

Section 2: Firm Qualifications and Experience

- Firm Background: Provide general information regarding the organizational structure, size, core capabilities, and areas of specialization relevant to public risk pools. Include the number of years in business.
- Financial Stability: Submit the Firm's most recent two (2) years of independently audited financial statements.
- Relevant Client Experience:
 - Describe the Firm's experience with clients similar to WSTIP (e.g., other public risk pools, transit agencies, large public entities).
 - Summarize the general approach to insurance placements for these clients, identify the markets typically used, and provide specific details regarding the services provided.
 - Provide a list of all public entities currently serving and has served within the past three (3) years.

Section 3: Understanding of WSTIP's Needs and Proposed Strategic Approach

- Based on the comprehensive review of this RFP and the Scope of Work, articulate the Firm's specific understanding of WSTIP's current environment, and strategic goals for this engagement. What does success look like from the Firm's perspective?
- Explain the overall strategic approach and methodology for managing the WSTIP account. This should encompass:
 - Strategy for marketing WSTIP's insurance program to the broader insurance and reinsurance markets.
 - Approach to ongoing account service and how the Firm ensures consistent communication and responsiveness.
- Indicate established and positive working relationships with all, or almost all, present WSTIP carriers. Indicate which of these carriers any commissions or contingency fees are earned from.
- A description of any other value-added services provided beyond the core Scope of Work (e.g., property appraisal, special events coverage, loss prevention, claims reporting assistance, strategic consulting).
- Describe the specific methods used in designing a comprehensive insurance program tailored for WSTIP and indicate the methodology for evaluating WSTIP's exposure to risk.



Section 4: Team and Staffing Plan

- **Key Personnel Identification:** Identify all primary personnel who will be directly involved in the WSTIP account, including their proposed roles (e.g., primary brokers, account executives, claims staff, loss control specialists, other assigned personnel). Limit this section to individuals who will have a significant and consistent role.
- **Professional Qualifications:** Provide detailed resumes for all identified personnel. Resumes should highlight their professional qualifications, relevant experience, years of service with your firm, and specific experience with public entities or risk pools.
- **Team Capacity:** Describe how adequate staffing and capacity will be managed to consistently meet the demands of the WSTIP account and the specified Scope of Work. Include plans for managing staff transitions, providing backup support, and handling potential workload fluctuations. Detail the escalation process in the event WSTIP encounters performance issues with assigned account managers.

Section 5: Response to Scope of Work

- **Address each item of the provided Scope of Work.** For each item, describe the specific methodology, detailed deliverables, and how the Firm will fully comply with and execute the requirements.
- **Carrier Financial Guidelines:** Explicitly state the Firm's minimum financial guidelines for carriers (e.g., A.M. Best ratings, S&P, Moody's criteria) that are monitored including how often. Confirm your agreement that these guidelines will be provided to WSTIP upon selection and must be acceptable to WSTIP.
- **Coverage Summaries:** Detail the type and depth of information included in the summaries of major lines of coverage and how potential gaps will be clearly identified and explained.
- **Record Keeping:** Describe the system for maintaining comprehensive and accurate records. Specify how WSTIP will receive direct, secure access to these records in a readily accessible digital format.
- **Technology & Tools:** Detail any specific technology platforms, online portals, or specialized software tools utilized that will enhance service delivery, provide WSTIP with access to information (e.g., policy documents, claims data, certificates), or support risk management efforts. If applicable, provide a copy of any End User License Agreement WSTIP will be required to execute. WSTIP reserves the right to negotiate any EULA submitted by the successful Proposer.
- **Service Level Agreements - SLAs:** Propose reasonable and measurable Service Level Agreements (SLAs) for key deliverables and response times (e.g., certificate issuance turnaround, inquiry response times, claims assistance). If applicable, provide a copy of any SLA WSTIP will be required to execute. WSTIP reserves the right to negotiate any SLA submitted by the successful Proposer.
- **Other Services:** Provide a list of other services available, such as loss prevention services/assistance, property valuation and appraisal services, grants, or other services that the Pool may utilize including pay for service estimates (if applicable).

Section 6: Compliance, Risk Mitigation, and Operational Excellence

- **Data Security & Privacy:** Describe the Firm's cybersecurity framework, policies, and practices for protecting client data, including compliance with relevant data privacy regulations (e.g., HIPAA if applicable to WSTIP's data, state privacy laws). Outline data encryption standards, access control measures, network security, and provide the data breach notification policy and a summary of the incident response plan.



- Provide documentation of the most recent SOC II audit and its expiration date. A copy of the audit may be requested by WSTIP.
- Business Continuity & Disaster Recovery (BCDR): Describe the Business Continuity and Disaster Recovery (BCDR) plan to ensure the uninterrupted delivery of essential services (e.g., claims processing, policy administration, critical communications) in the event of a significant disruption or emergency. Include details on data backup, recovery time objectives (RTOs), and recovery point objectives (RPOs).
- Conflict of Interest: Describe the established policy and procedures for identifying and mitigating potential conflicts of interest, particularly when representing multiple clients or engaging with insurance/reinsurance carriers.
- Subcontracting/Third-Party Vendor Management: If the Firm anticipates using any subcontractors or third-party vendors to deliver services outlined in this RFP, describe the vetting process for these entities, ongoing oversight of their performance, and what visibility WSTIP will have into their involvement.

Section 7: Financial Proposal / Fees and Costs

- Complete all applicable fields of Exhibit 2 Price Proposal to outline Firm's annual fixed fee for providing the services outlined in the Scope of Work for the first 5 years of the agreement. The Annual Fees must include all costs including, but not limited to: labor, materials, overhead, profit, equipment, taxes, licenses, software, and any other cost that may be incurred in the performance of this contract.
- Refer to "Individual WSTIP Member Insurance, Bond and Special Event Coverage" and provide the broker commission that will be charged for the coverages listed therein. Detail the calculation method for this broker commission.
- Any travel will be pre-authorized by WSTIP and reimbursement is based on actual receipts and will be detailed in the contract. Due to their nature, travel costs will not be considered as part of the pricing evaluation. (Refer to Appendix D, Section II D for travel information).
- Any value-added options will be priced in the "Additional Services" section. Proposers may add lines if needed.

Section 8: References

- Provide a list of at least five (5) recent references. These references must be from public risk pool clients (preferred) or other public entity clients. WSTIP bears no responsibility for any references that are unable to be confirmed and therefore prevent proper evaluation
- For each reference, include:
 - The full name, title, telephone number, and email address of the primary contact person.
 - How long the Firm has been conducting business with this entity.
 - The detailed scope of services provided (e.g., investigation, claims audits, monitoring of claims, risk management services, etc.).

Section 9: Evidence of Market Relationships

- Provide evidence of historical working relationships with WSTIP reinsurance, excess and primary carriers as identified in the RFP (if applicable). Please distinguish between the Firms overall and the specific individuals designated for the WSTIP account in terms of these relationships.



- Provide a list of major insurance carriers likely to match WSTIP's needs, presented in order of recommended priority. For each carrier, describe the relationship (e.g., typical premium volumes placed, number of accounts, unique access, or other relevant information that demonstrates a strong working relationship).

QUESTIONS, CLARIFICATIONS, DEVIATIONS AND CONTACT WITH WSTIP

Proposers are expected to carefully review the entire RFP and all supporting documents before submitting questions. By submitting a question, the respondent acknowledges that they have reviewed the RFP in full and made reasonable efforts to locate the information prior to asking.

The purpose of the question period is to clarify legitimate ambiguities in the solicitation documents. WSTIP reserves the right to disregard questions that appear to be generic, automatically generated, or not reflective of a reasonable review of the RFP, for example questions about the response due date. Proposers are encouraged to ensure all questions reflect their understanding of the project and the specific requirements of this solicitation.

Questions, clarifications, and alternates pertaining to the RFP must be submitted to RFP@wstip.org no later than the close of business on the date listed in the Procurement Schedule above or as amended through Addenda. WSTIP does not guarantee a response to questions submitted after this date or submitted via alternate methods than required.

ADDENDA

Addenda will be posted at wstip.org/rfp-rfq-rfi/ should questions or clarifications be deemed significant enough to affect received Proposals. Proposers must ensure they receive all issued addenda prior to the submission deadline and acknowledge any Addenda on Exhibit 1.

EVALUATION OF PROPOSALS

RESPONSIBILITY

WSIP will only award to Proposers who have the ability, willingness, financial capacity, and integrity to conform to all requirements of the Proposal and subsequent Contract. WSTIP will independently verify responsibility by reviewing publicly available information to ascertain the following:

- Demonstrate there are no outstanding and/or repetitive violations with Labor and Industries, Department of Revenue, or Employment Security.
- Possess all permits, registrations, and licenses as required by city, state, and Federal ordinances, rules, laws, and regulations. When requested by WSTIP, Proposer shall provide documents confirming that he/she/it has obtained any local business registrations or permits that may be required.
- Is skilled and regularly engaged in the general class or type of work called for under the Contract.
- Has performed satisfactorily on other Contracts of like nature, magnitude and comparable difficulty, and at comparable rates of progress.
- Meet the requirements described in Exhibit 3: Debarment and Compliance Statement.



To establish Proposer's responsibility, WSTIP will review all material submitted with a Proposal. WSTIP may also obtain additional information and conduct independent investigation, including, but not limited to, obtaining copies of business licenses and/or professional licenses and certificates, review submitted financial reports, verifying any DBE/MWBE/SBE status, reviewing records with the Better Business Bureau, reviewing references, and checking debarment lists. WSTIP reserves the right to interview references, perform internet searches, review Dunn & Bradstreet reports, and use any other investigative means it chooses. A Proposer must timely provide all requested information.

EVALUATION PROCEDURES

Each of the criteria listed below will be reviewed by the committee for the purpose of scoring proposals, based on how fully each proposal meets the requirements identified in this RFP.

1. Procurement will review all proposals received by the published deadline for conformance with the instructions and requirements of the RFP and Contract documents. Submissions or Proposers that do not meet the requirements detailed within this RFP may be rejected as non-responsive.
2. Procurement will calculate the Price Score based on the total of the Annual Fees (which is the Broker Fee for "Pooled Coverage" plus Broker Commissions allowed for "Individual WSTIP Member Insurance, Bond and Special Event Coverage") amount on Price Proposal using the following normalizing formula from responsive proposals that are submitted by responsible proposers. The Broker Commission % will be calculated against a fictitious policy with a \$75,000 annual premium to get a true apples-to-apples comparison of this fee. The score for pricing will not be averaged or combined based on the total number of evaluators. The lowest price in the Total Annual Fees will receive the highest score. WSTIP may, at its option and to further differentiate price score, extend points for price only out two (2) decimal places.

(Lowest Proposed Base Price ÷ Base Price Being Evaluated) × Total Points Possible = **Score**

WSTIP will verify any amounts in the Unit Price column. WSTIP Procurement will review any discrepancies with the Proposer, in writing, and the resolution will be included for final evaluation.

3. An evaluation committee will be appointed to evaluate and score the responsive and responsible technical submissions against the evaluation criteria outlined below. Technical scores will be averaged based on how many evaluation committee members there are.
4. Procurement will combine the Price Scores and the committee's technical scores. The total points scored on both price and technical evaluations will be considered in determining competitive range.
5. The top Proposals (Competitive Range) may be invited for interviews or demonstrations. Proposals and interview results are re-scored against the evaluation factors based on information provided by interviewees and the original submissions. Price will be recalculated based on the number of Proposals in Competitive Range.
6. A member of the Evaluation Committee or Procurement will check references and share them with the evaluation committee as part of the Qualifications and Relevant Experience criteria.
7. Competitive Range Proposers may be asked for a Best and Final Offer (BAFO) post-interview as detailed below. BAFO's will be rescored against the same evaluation criteria. Price will be rescored



against the number of Proposals in Competitive Range. WSTIP reserves the right to award a contract without a BAFO request.

8. WSTIP reserves the right to award based upon the most favorable initial proposal. WSTIP's Executive Director shall have full authority over WSTIP's source selection and decision to award, subject to applicable Board policy.

EVALUATION CRITERIA

Proposals will be evaluated based upon WSTIP's determination of the following factors, and Proposer understands that WSTIP will determine the successful Broker in its sole and absolute discretion:

- **Qualifications & Relevant Experience (72 PTS)**
Personnel possess exceptional and directly relevant expertise and qualifications. Resumes demonstrate extensive experience in all aspects of the requested work. Roles and responsibilities are clearly defined for each team member. Extensive and highly relevant experience is demonstrated and independently verifiable in performing similar work for public entity risk pools and transit agencies. Personnel assigned to the WSTIP account possess well-established and positive working relationships with all, or almost all, present WSTIP carriers. Specific examples of these relationships and their benefits are provided. Strong examples of successful engagements with large commercial clients are provided. Professional references are excellent and directly confirm similar work. Outstanding record of previous performance with WSTIP or a highly similar organization. All previous work was exemplary, exceeding expectations. There are documented instances of value-add and strong partnership.
- **Capacity to Perform (20 PTS)**
Proposal clearly articulates a robust capacity plan, demonstrating a strong ability to meet all in-person meeting requirements, regular staff interactions, and ad-hoc/member support. Specific strategies for ensuring responsiveness and availability are provided. Capacity to undertake marketing and placement, as well as drafting and submission of required reports and presentations is apparent.
- **Compliance, Risk Mitigation, and Operational Excellence (20 PTS)**
The proposal demonstrates a profound understanding of regulatory compliance specific to public entities and risk pools. It outlines robust and proactive risk mitigation strategies. Operational processes are highly detailed, efficient, and include strong quality control measures, ensuring seamless and high-quality service delivery. Insights into operational processes are clear and demonstrate a commitment to efficiency and quality.
- **Fees & Costs (39 PTS)**
Using Exhibit 2 provided, complete all applicable fields. The Annual Fees must include all costs including, but not limited to: labor, materials, overhead, profit, equipment, taxes, licenses, software, and any other cost that may be incurred in the performance of this contract. Due to their nature travel costs will not be considered as part of the pricing evaluation (Refer to Appendix D, Section II D for travel information).



Under the “Individual WSTIP Member Insurance, Bond and Special Event Coverage” section, provide the broker commission that will be charged for the coverages listed. Explain the method of calculation of the broker commission for these services. For the purposes of evaluation, WSTIP will calculate the broker commission charged against a fictitious policy with an annual premium of \$75,000.

Value-added services will not be calculated as part of the evaluation.

INDICATION OF INTEREST

If you are interested in submitting a proposal, please let us know by submitting an email to RFP@wstip.org and providing a contact name/email address to send any written responses to questions.

AWARD OF CONTRACT

- Award of the contract will be made to the firm, in the sole and absolute discretion of WSTIP, which will provide the best value and that best meets the needs of the Pool’s members. **However, WSTIP does not obligate itself to enter into any contract as a result of this RFP if it finds none of the proposals are acceptable.** Proposer agrees and understands that WSTIP does not anticipate major deviations from the contract provided with this RFP, and any such changes are at the sole and absolute discretion of WSTIP. If WSTIP is unable to reach agreement on terms of a contract with the successful broker within 10 business days of providing notice to said broker of its successful proposal, WSTIP may in its sole and absolute discretion, extend contract negotiations for a stated period of time, award a contract to another broker, or reject all proposals.

PROPOSALS SUBJECT TO PUBLIC RECORDS REQUESTS

- All materials submitted in response to this RFP will become the property of WSTIP.
- All proposals received shall remain confidential until the apparently successful bidder, if any, is announced or all bids are rejected. Thereafter, the Bids shall be deemed public records as defined in the Washington Public Records Act, RCW 42.56.
- Any information in the proposal that the proposer desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.56 (Public Records Act) must be clearly designated. The page must be identified and the exception from disclosure upon which the Bidder is making the claim. Each page claimed to be exempt from disclosure must be clearly identified by the word “Confidential” or “Proprietary” printed on the lower right-hand corner of the page.
- WSTIP will consider a proposer’s request for exemption from disclosure; however, we will decide predicated upon Chapter 42.56 RCW. Marking the entire Bid exempt from disclosure will not be honored. The proposer must be reasonable in designating information as confidential or proprietary. If any information is marked as confidential or proprietary in the proposal, such information will not be made available until the affected Bidder has been given an opportunity to seek a court injunction against the requested disclosure.
- The Proposer assumes all costs of any legal actions, and shall reimburse WSTIP For administrative, expert and costs and attorneys’ fees it incurs arising from dealing with Proposer’s labeling of any



portion of the Proposal as “Confidential” or “Proprietary,” including those arising from any legal action commenced by Proposer. Submission of a Proposal is agreement with this section.

PROPOSERS CHECKLIST

By submitting a Proposal, Proposers agree to be bound by and adhere to all legal requirements and Contract terms and conditions contained in this solicitation document.

WSTIP MAY NOT NEGOTIATE ANY ASPECT OF THE REQUIRED SERVICE OR ANY CONTRACT TERM OR CONDITION ONCE THE NOTICE OF INTENT TO AWARD IS ISSUED. WSTIP WILL NOT MAKE ANY CONCESSIONS FOR PROPOSERS WHO ARE NOT COMPLETELY FAMILIAR WITH THE SCOPE OR CONTRACT REQUIREMENTS.

Exhibits	Appendices
1: Proposal Form	A: WSTIP GL Coverage Document
2: Price Proposal	B: WSTIP POL Coverage Document
3: Debarment & Compliance Statement	C: WSTIP Property Coverage Document
4: Conflict of Interest Statement	D: WSTIP Contract Template
	E: WSTIP Annual Report

Proposers are advised that the following will be incorporated into the final negotiated Contract:

- WSTIP Contract (Appendix D)
- Request for Proposal including Appendices
- Issued Addenda (if applicable)
- Contractor Pricing including completed Exhibits and technical proposal
- Executed Contract



EXHIBIT 1: PROPOSAL INFORMATION

All fields must be completed. ***Failure to ENTIRELY complete this form will result in the proposal being rejected as non-responsive.*** Indicate "NA" if the field does not apply.

Business Name:		
Type of Business <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (State of Incorporation _____) <input type="checkbox"/> LLC		
Physical Business Address (Must NOT be a PO Box)		
City	State	Zip Code
Business Telephone #	Business Fax #	Business Email
WA State UBI ¹ #	Federal EIN#	WAOIC License ² #

Receipt is hereby acknowledged of Addenda No(s): _____
NOTE: Failure to acknowledge receipt of addenda will be considered non-responsive to the proposal

OFFICIAL AUTHORIZED TO SIGN FOR PROPOSER

"I declare under penalty of perjury under the laws of the State of Washington that this response is genuine. This proposal is not false or made on behalf of any person who has an interest in the award. No other proposer has been solicited to put a false proposal, adjust their price lists, or coerced any other company to refrain from proposing. I guarantee that my firm has not attempted to secure an advantage over any other Proposer through collusion. All statements and information contained in the submitted proposal are true, correct, and based on the requested scope of Work. All employees and agents of the Proposal are skilled and experienced in the required Work. In the event that performance or any aspect of performance is found to be non-compliant, I understand my company will be held responsible to remedy all deficiencies at no additional cost. I understand that my firm will be required to perform under the terms and conditions outlined in the solicitation and proposal, if accepted. My signature below assures WSTP that the firm acknowledges and will comply with this solicitation."

<u>Signature of Authorized Officer/Agent</u>	<u>Date</u>
<u>Print Name & Title</u>	<i>The individual named herein is duly authorized to obligate the firm to a contract.</i>

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

¹ RCW Chapter 19.02
² RCW Chapter 48.17



EXHIBIT 2: PRICE PROPOSAL

Instructions: Please complete this form to provide your proposed price for the criteria listed in the specification attachment to this solicitation. Review RFP "Evaluation of Proposals, Evaluation Procedures" for information on Price Evaluation

Broker Fee for Pooled Coverage	Unit	Unit Price (USD)
YEAR 1	Lump Sum	
YEAR 2	Lump Sum	
YEAR 3	Lump Sum	
YEAR 4	Lump Sum	
YEAR 5	Lump Sum	
	TOTAL	

“Individual WSTIP Member Insurance, Bond and Special Event Coverage” Broker commission for Pool Placements _____ %

How is this broker commission calculated? _____

Value Added Services

Item/Description	Quantity	Unit	Unit Price (USD)	Extended Price (USD)

Proposer understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with WSTIP that incorporates the terms and conditions of the entire Request for Proposal package and the submitted response.

The person signing this Price Proposal in response to the RFP certifies that he/she is authorized by the Proposer to sign on the Proposer's behalf, and that the Proposer shall be bound contractually by that signature.

<u>Signature of Authorized Officer/Agent</u>	<u>Date</u>
<u>Print Name & Title</u>	<i>The individual named herein is duly authorized to obligate the firm to a contract.</i>



EXHIBIT 3: DEBARMENT & COMPLIANCE STATEMENT

By submitting a signed Proposal, each Proposer is assuring WSTIP of the following:

1. The Proposer is not on the current list of Washington State debarment lists.
2. The Proposer is not restricted or prohibited from proposing or doing business with a government agency in SAM.gov.
3. The Proposer agrees to adhere to ADA requirements.
4. The Proposer will work to promote employment and subcontracting opportunities among Disadvantaged Business Enterprises (DBE) as well as small and women/minority/veteran owned businesses.
5. The Proposer shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT assisted contracts. Failure by the Proposer to carry out these requirements is a material breach of any contract, which may result in the termination of any contract or such other remedy as WSTIP deems appropriate.
6. The Proposer, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract.
7. The Proposer certifies that he/she/it does not maintain or provide for his/her/its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained.
8. That the Proposer assures that they/he/she/it is fully licensed, bonded, and insured. A copy of the successful Proposer's certificate of insurance and a W9 will be required prior to the issuance of a Notice to Proceed or a Purchase order. Business licenses and/or professional certifications will be used to establish Proposer responsibility as part of the evaluation process.

<u>Signature of Authorized Officer/Agent</u>	<u>Date</u>
<u>Print Name & Title</u>	<i>The individual named herein is duly authorized to obligate the firm to a contract.</i>



EXHIBIT 4: CONFLICT OF INTEREST STATEMENT

The undersigned declares under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct to the best of their knowledge and belief.

1. Conflict of Interest

The Proposer, by entering submitting these qualifications to Whatcom Transportation Authority (WSTIP) to perform or provide work, services or guarantees, ensures that it has no direct or indirect financial or proprietary interest in the forthcoming award of Contract as outlined in the request Documents. Proposer shall not acquire any such interest, which conflicts in any manner or degree with the services required to be performed under a Contract. Proposer shall not employ any person or agent having such interest on any WSTIP specific work. In the event that the Proposer or its agents, employees or representatives finds such a conflict of interest, it shall immediately disclose such interest to WSTIP and take action immediately to eliminate the conflict or to withdraw from this Contract, as WSTIP may require. Should WSTIP discover a disclosable conflict post award, it will be grounds for immediate Contract termination under the terms of the Contract.

2. Contingent Fees and Gratuities

The awarded Proposer, by entering into a contract with WSTIP to perform or provide services or materials for WSTIP has thereby guaranteed, and by this affidavit does again promise and assure:

That no person or selling company except bona fide employees or designated agents or representatives of the Proposer has been employed or retained to solicit or secure this Contract with an agreement or understanding that a commission, percentage, brokerage, or contingent fee would be paid; and

That no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Proposer or any of its agents, employees or representatives, to any official, member or employee of WSTIP or other governmental agency with a view toward securing this Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of this Contract.

<u>Signature of Authorized Officer/Agent</u>	<u>Date</u>
<u>Print Name & Title</u>	<i>The individual named herein is duly authorized to obligate the firm to a contract.</i>



GENERAL LIABILITY COVERAGE DOCUMENT

COVERAGE SUMMARY

COVERAGE DOCUMENT NO. WSTIP GL 2026 – BFT

MEMBER:		Ben Franklin Transit 1000 Columbia Park Trail, Richland, WA 99352																						
COVERAGE PERIOD:		From: January 1, 2026 12:01 AM	To: January 1, 2027 12:01 AM																					
<p>The Coverage Document for the Pool consists of the Coverage Summary, Table of Contents, Introduction, Layered Coverage, Definitions, Coverage Part, Coverage Agreement, Who is Covered, Exclusions, General Policy Conditions, and Endorsements. Coverage above the Pool's \$1.5 million self-insurance retention is in layers. These layers are as follows:</p> <table border="0"> <tr> <td>Washington State Transit Insurance Pool (WSTIP)</td> <td>\$0 to \$1.5 million</td> <td>Self-Insurance Retention</td> </tr> <tr> <td>Governmental Entities Mutual, Inc. (GEM)</td> <td>+\$1.5 million to \$5 million</td> <td>Reinsurance</td> </tr> <tr> <td>Safety National Casualty Corporation</td> <td>+\$5 million to \$10 million</td> <td>Reinsurance</td> </tr> <tr> <td>Munich Reinsurance America, Inc. (Munich Re)</td> <td>+\$10 million to \$15 million</td> <td>Reinsurance</td> </tr> <tr> <td>Obsidian Specialty Insurance Company (via Metis)</td> <td>+\$15 million to \$20 million</td> <td>Reinsurance</td> </tr> <tr> <td>StarStone Specialty Insurance Company</td> <td>+\$20 million to \$25 million</td> <td>Excess Insurance</td> </tr> <tr> <td>Allied World Assurance Company (AWAC)</td> <td>+\$25 million to \$30 million</td> <td>Excess Insurance</td> </tr> </table> <p>THE COVERAGES ABOVE THE POOL'S SELF-INSURANCE RETENTION ARE SUBJECT TO THE TERMS, CONDITIONS, AND LIMITATIONS IN THE RESPECTIVE REINSURANCE OR EXCESS INSURANCE AGREEMENTS.</p>				Washington State Transit Insurance Pool (WSTIP)	\$0 to \$1.5 million	Self-Insurance Retention	Governmental Entities Mutual, Inc. (GEM)	+\$1.5 million to \$5 million	Reinsurance	Safety National Casualty Corporation	+\$5 million to \$10 million	Reinsurance	Munich Reinsurance America, Inc. (Munich Re)	+\$10 million to \$15 million	Reinsurance	Obsidian Specialty Insurance Company (via Metis)	+\$15 million to \$20 million	Reinsurance	StarStone Specialty Insurance Company	+\$20 million to \$25 million	Excess Insurance	Allied World Assurance Company (AWAC)	+\$25 million to \$30 million	Excess Insurance
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StarStone Specialty Insurance Company	+\$20 million to \$25 million	Excess Insurance																						
Allied World Assurance Company (AWAC)	+\$25 million to \$30 million	Excess Insurance																						
COVERAGE:		LIMITS OF LIABILITY and DEDUCTIBLES:																						
		DEDUCTIBLE FOR ALL COVERAGE: \$0																						
A – Bodily injury and property damage liability		\$20 million per occurrence Excess: \$5 million in excess \$20 million – StarStone Excess: \$5 million in excess of \$25 million - Allied World Assurance Company																						
B – Personal injury and advertising liability		\$20 million per occurrence Excess: \$5 million in excess \$20 million – StarStone Excess: \$5 million in excess of \$25 million - Allied World Assurance Company																						
C – Contractual liability		\$20 million per occurrence Excess: \$5 million in excess \$20 million – StarStone Excess: \$5 million in excess of \$25 million - Allied World Assurance Company																						
D – Public Rideshare Driver Medical Expense Protection (PRDMEP)		\$35,000 per occurrence																						
E – Transit Rider Medical Expense Protection (TRMEP) (see Member request for class(es) of vehicles covered)		\$15,000 per occurrence																						
F – Permissive User of a Member-Owned Motor Vehicle		\$100,000 per occurrence for property damage liability \$300,000 per occurrence for bodily injury liability																						
G – Agency, rental, and personal/private vehicle occupants not covered by workers' compensation or transit passengers		\$100,000 per occurrence for property damage liability \$300,000 per occurrence for bodily injury liability																						
ENDORSEMENT 1 – COMMUNICABLE DISEASE LIABILITY																								
Per Occurrence		Limit: \$500,000 Deductible: \$0																						
Annual Aggregate for all Members or Additional Covered Parties		\$1.5 million																						
ENDORSEMENT 2 – TRANSIT RIDER MEDICAL EXPENSE PROTECTION																								
Per Occurrence		Limit: \$15,000 Deductible: \$0																						
Per Claim		\$2,500																						



GENERAL LIABILITY COVERAGE DOCUMENT

COVERAGE SUMMARY (cont)

COVERAGE DOCUMENT NO. WSTIP GL 2026 – BFT

MEMBER:	Ben Franklin Transit 1000 Columbia Park Trail Richland, WA 99352	
COVERAGE PERIOD:	From: January 1, 2026 12:01 AM	To: January 1, 2027 12:01 AM
You selected the following Transit Rider Medical Expense Protection Coverage(s)		
Fixed Route	No	
Paratransit / Demand Response	No	
Public Rideshare	No	
Administration / Maintenance	No	

Washington State Transit Insurance Pool

Matthew Branson, Executive Director
January 1, 2026



GENERAL LIABILITY
COVERAGE DOCUMENT
2026

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Introduction

The Washington State Transit Insurance Pool (**Pool**) is not an insurance company. It is an entity created pursuant to RCW 48.62. It is controlled and governed by applicable state statutes and regulations, the Interlocal Agreement through which the **Pool** was formed, and its own Bylaws and governance documents.

The state statutes and regulations that apply to insurance companies do not apply to the **Pool**. The **Pool** is not regulated by the state insurance commissioner. The judicial cases that apply to the construction and interpretation of insurance policies do not apply to this Coverage Document.

The purpose of this Coverage Document is to give full effect to the intent of the **Members** as expressed herein, not to impose on **Members** an interpretation of construction of coverage that reflects policy considerations or legal requirements applicable to a traditional insurer/insured relationship as expressed in case law applying Washington or other jurisdictions' insurance law.

This Coverage Document shall be construed, applied, and interpreted in accordance with the **Pool's** rules, regulations, and Bylaws.

Various provisions in this Coverage Document restrict coverage. Please read the entire document carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the **Member** shown in the Coverage Summary and any other person or organization qualifying as an **additional covered party**. The words "we," "us," "our," "WSTIP," or "**Pool**" refer to the Washington State Transit Insurance Pool.

Words and phrases that appear in **bold** and *italics* have special meaning. Please refer to Definitions.

Layered Coverage

The coverage provided by the **Pool's** program is in layers. The first layer of coverage is funded by the **Pool** and the terms and conditions governing that coverage are set forth in this Coverage Document. Above the **Pool's** layer of coverage are coverages provided by excess insurers or reinsurers. For the most part, the coverages provided by the excess insurers or reinsurers "follow the form" of the **Pool's** coverage but there are some differences. Coverage for any loss above the **Pool's** layer shall be determined by the terms, conditions, and exceptions as set forth in the excess or reinsurance coverage documents.

Definitions

The following terms are defined as follows:

- A. **Additional covered party** are those persons or entities set forth in Section 2B.
- B. **Advertising injury** means injury arising out of one or more of the following **offenses** committed in the course of advertising the **Member's** goods, products, or services.
1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
 2. Oral or written publication of material that violates a person's right of privacy;
 3. Misappropriation of advertising ideas or style of doing business; or
 4. Infringement of copyright, title, or slogan.
- C. **Bodily injury** means physical injury, mental injury, shock, sickness, or disease sustained by a person, including death, resulting from any of these at any time.
- D. **Claim** means written notice from any person or entity that it is his, her, or its intention to hold **Member** or **additional covered party** responsible for damages arising out of an **occurrence** or **personal injury**.
- E. **Claim expenses** mean:
1. **Claim** investigation costs;
 2. Legal expenses; and
 3. Litigation costs, pre- and post-judgment interest on awards and judgments, and the cost of bonds to release attachments or to appeal.
- Claim expenses** do not include salaries and expenses of employees of **Member**, overhead, or any fees paid for claim administration.
- F. **Communicable Disease(s)** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
1. The substance or agent includes, but is not limited to, a virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not; and
 2. The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid, or gas, or between organisms; and
 3. The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare, or property damage.
- G. **Contractual liability** means liability for **bodily injury, property damage, advertising injury, or personal injury** arising from the operation of a hold harmless provision or equivalent in a written agreement where **Member** has agreed to hold another person or entity harmless.
- H. **Employment Practices Claim(s)** means:
1. Wrongful refusal to employ a qualified applicant for employment;
 2. Wrongful failure to promote;

3. Wrongful deprivation of career opportunity;
 4. Wrongful demotion, evaluation, reassignment, or discipline;
 5. Wrongful termination of employment, including constructive discharge;
 6. Employment-related misrepresentation; or
 7. Harassment, coercion, discrimination, retaliation, or humiliation as a consequence of race, creed, color, religion, national origin, marital status, medical condition, gender or gender expression, age, genetic information, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference, honorably discharged veteran or military status, or any other protected class or characteristic established by an applicable federal, state, or local statute.
- I. **Incidental to the commute** means the use of a Rideshare vehicle immediately preceding the commute, at mid-commute, or immediately after the commute.
- J. **Medical and hospital benefits** means payments for reasonable and necessary medical expenses incurred as a result of a covered **occurrence** and includes payments for dental services, prescriptions, prosthetic devices, ambulance expenses, and funeral expenses. Benefits do not include loss of income or expenses for household services.
- K. **Member** means a local governmental public transit entity which participates in the **Pool's** joint self-insurance program as evidenced by such entity's execution of the **Pool's** Interlocal Agreement.
- L. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in **bodily injury** or **property damage**.
- M. **Offense** means any of the acts or conduct included in the definitions of **advertising injury** or **personal injury**.
- N. **Personal injury** means injury arising out of one or more of the following **offenses**:
1. False arrest, detention, or imprisonment;
 2. Malicious prosecution;
 3. Defamation;
 4. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies;
 5. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or service;
 6. Oral or written publication of material that violates a person's right of privacy;
 7. Assault or battery not committed by, at the direction, or with consent of **Member**, except as provided in § 8 below; or
 8. Assault or battery committed by, at the direction, or with the consent of **Member** but only if committed by a **Member** employee acting within the scope of his or her employment and not involving the use of "deadly force" as defined in RCW 10.120.010 et seq. or "physical force," as defined in RCW 10.120.010 et seq. involving the use of knives, conducted energy weapons, or firearms. **Personal injury** does not include any assault or battery committed by a "peace officer" as defined in RCW 10.120.010 et seq.

9. Discrimination prohibited by state or federal law including discrimination based upon race, religion, nationality, national origin, color, creed, sex, sexual preference, age, employment, or disability.

O. **PFAS** means:

1. Any perfluoroalkyl or polyfluoroalkyl substances, including but not limited to:
2. Perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA), perfluorobutane sulfonic acid (PFBS), N-methylperfluorooctane sulfonamido acetic acid (Me-PFOSA-AcOH), perfluorobutanesulfonate, perfluorohexane sulfonic acid (PFHxS), potassium perfluorobutane sulfonate (PFBS), or ammonium perfluorooctanoate (APFO), GenX, including hexafluoropropylene oxide dimer acid (HFPO-DA); any substance that, by whatever name known:
 - a. has a similar chemical formulary, formation, or structure to any substance listed in paragraph 1 above;
 - b. is a derivative of or an intended replacement of any substance listed in paragraph 1 above;
 - c. is an associated homologue, isomer, salt, ester, alcohol, acid, or is a related degradation or by-product, of any substance listed in paragraph 1 above;
 - d. contains at least one fully fluorinated methyl or methylene carbon atom (without any H/Cl/Br/I atom attached to it); or
 - e. had been referred to by chemical structure, name or CAS Number, as a known or suspected **PFAS**, perfluoroalkyl, or polyfluoroalkyl chemical or substance in any foreign or United States federal, state or local statute, law, regulation, rule or written proposed rule, or governmental bulletin (including but not limited to publications of the United States Environmental Protection Agency) that had been published as of the effective date of this Coverage Document; or
3. any goods, products, materials, compounds, or substances that actually or allegedly consist of, contain, or are contaminated with any amount of the substances described in paragraphs 1 or 2 above.

P. **Pool** - The words “we,” “us,” “our,” “WSTIP,” or “**Pool**” refer to the Washington State Transit Insurance Pool.

Q. **Products/Completed Operations Hazard** means all **bodily injury** and **property damage** which occurs away from premises the **Member** owns or rents and arising out of **Member’s** products or work that has been sold, transferred, or performed for others except:

1. Products that are still in **Member’s** physical possession; or
2. Work that has not yet been completed.

R. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, asbestos, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

S. **Property damage** means physical injury to tangible property, including all resulting loss of use of that property.

T. **Suit** means a civil proceeding which seeks damages arising out of a **claim**. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which the **Member** must submit or do submit with the **Pool's** consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **Member** submits with the **Pool's** consent.

U. **Terrorist activity** means activities against persons, organizations, or property of any nature:

1. That involve the following preparation:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political ideological, religious, social, or economic objectives or to express (or express opposition to) a philosophy or ideology.

Coverage Part

Section 1. Coverage Agreement

A. Coverages

1. The **Pool** will pay those sums which the **Member** or **additional covered party** becomes legally obligated to pay as damages and is not excluded, arising from the following activities or events:
 - a. **Coverage A. Bodily injury** and **property damage** liability
Damages from **bodily injury** or **property damage** caused by an **occurrence** that takes place during the coverage period.
 - b. **Coverage B. Personal injury** and **advertising injury** liability
Damages from **personal injury** or **advertising injury** caused by an **offense** that was committed during the coverage period.
 - c. **Coverage C. Contractual liability**
Damages arising from **contractual liability** during the coverage period, provided there shall be no **contractual liability** coverage under this Coverage Document arising in an agreement for professional architectural, engineering, or surveying services.
2. The **Pool** will pay:
 - a. **Coverage D. Rideshare Driver Medical Expense Protection**

Medical and hospital benefits to any Rideshare driver who suffers **bodily injury** as a result of an **occurrence** while operating a van within the terms and conditions of a Rideshare agreement with **Member**, during the commute, and **incidental to the commute**.

3. The **Pool** will pay those sums which a **member** or **additional covered party** is legally entitled to recover as compensatory damages arising from the following event:
 - a. **Coverage F. Permissive Use of a Member-Owned Motor Vehicle**

Bodily injury or **property damage** caused by an **occurrence** that takes place during the coverage period and arises from any person driving a **Member**-owned vehicle for which the **Pool** provides coverage with permission of the **Member**, provided the person has a valid driver's license and is at least 21 years of age. This coverage is excess to any other coverage afforded by the person. A person granted permission to drive a **Member**-owned motor vehicle may not provide permission to any other person to drive the motor vehicle.
 - b. **Coverage G. Occupants Not Covered by Workers' Compensation**

Bodily injury or **property damage** sustained by an occupant, not a transit passenger, of a **Member**-owned vehicle, **Member**-authorized rental vehicle, or **Member**-authorized personally or privately owned vehicle caused by an occurrence that takes place during the coverage period and arises from an additional covered party's use of a **Member**-owned vehicle, **Member**-authorized rental vehicle, or other **Member**-authorized vehicle while traveling on **Member** approved and authorized travel. This coverage is excess over any other valid and collectible insurance covering the loss.
4. **Member Responsibilities**
 - a. Report Occurrences as soon as Possible – A **Member** must notify the **Pool** as soon as practicable of an **occurrence** which appears likely to involve coverage. Notice should include how, when, and where the **occurrence** took place; the names and addresses of any injured person(s) or witness(es); and the nature and location of any injury or damage arising out of the **occurrence**.
 - b. Immediate Reporting of **Claims** or **Suits** – If a **Member** receives a written **claim** or **suit** that may involve coverage under this Coverage Document, the **Member** must record the time and date on which the **Member** received the **claim** or **suit** and immediately provide a copy of all documents received to the **Pool**.
 - c. Reporting Prior to **Claim** or **Suit** – If an event or situation occurs that the **Member** believes may result in a **claim** or **suit**, the **Member** must notify the **Pool** in writing within a reasonable timeframe. Such notice should include an overview of the situation including all involved parties (name, address, and other contact information), what happened, when it happened, and where it happened.

- d. Cooperate in the Process – A **Member** or **additional covered party** shall authorize the **Pool** to obtain records or other information; and cooperate with the **Pool** in the investigation, defense, settlement, or trial of any **claim** or **suit**. The **Member** or **additional covered party** must also cooperate with **Pool** in providing information necessary to expedite the internal appeals process.
 - e. Pay the Deductible – A **Member** is obligated to pay its deductible.
 - f. Duty to Mitigate – Following a **claim**, **suit** or loss, the **Member** is obligated to take reasonable steps in mitigation to this or future similar covered loss or damage.
 - g. Cooperate in Subrogation / Do Not Waive Subrogation without the **Pool's** Consent – If any **Member** or **additional covered party** for whom the **Pool** makes payment under this Coverage Document has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That **Member** or **additional covered party** must do everything necessary to secure the **Pool's** rights and must do nothing after loss to impair them, unless the **Member** or **additional covered party**, with the **Pool's** written consent, has waived its rights prior to loss. The **Member** or **additional covered party** acknowledges that the **Pool** or its designated agent may bring suit in the name of the **Member** or **additional covered party**.
 - h. Exhaust Your Remedies – A **Member** must exhaust all remedies available under the Interlocal Agreement, Bylaws, and Governance Policies prior to suing the **Pool** for coverage under this Coverage Document.
5. **Pool's** Responsibilities
- a. Investigate – The **Pool** may, at our discretion, investigate and settle any reported event or situation the **Pool** considers appropriate. The **Pool** has the right to investigate and settle any **claim** or **suit** as the **Pool** considers appropriate.
 - b. Duty to Defend – The **Pool** has a duty to defend any **suit** seeking damages from a **Member** or **additional covered party** to which this coverage applies and is not excluded, even if the allegations are groundless, false, or fraudulent.

If the **Pool** initially defends a **Member** or **Additional Covered Party** or pays for a **Member's** or **Additional Covered Party's(ies')** defense, but later determines that none of the **claims** for which the **Pool** has provided a defense or paid defense fees and/or costs are covered under this Coverage Document, the **Pool** has the right to seek reimbursement of the defense fees and/or costs the **Pool** has incurred. The **Pool** must advise the **Member** or **Additional Covered Party** of its right to seek reimbursement of defense fees and/or costs in any reservation of rights communicated to the **Member** or **Additional Covered Party**. The right to reimbursement under this section will only apply to the defense fees and/or costs the **Pool** has incurred after the **Pool** has notified the **Member** or **Additional Covered Party** that, based on developments or decisions in the claim or lawsuit being defended, no covered or potentially covered claim continues to exist and that, as a result, the **Pool** no longer has any defense obligation but is continuing to provide a defense as a matter of courtesy.

- c. Inform the *Member* of Coverage Limitations – The **Pool** has a responsibility to inform the **Member** or **additional covered party** of any identified limitations to the coverage afforded under this agreement including an outright denial of coverage within 30 days of the tender of the **suit**.
- d. Pay to the Limits – The **Pool's** duty to defend or settle ends when the limit of liability has been exhausted by payment of damages, judgments, settlements, or **claim expenses**.
- e. Not Pay Expenses Prior to Acceptance – The **Pool** has no duty to pay any damages, judgments, settlements, or **claim expenses** incurred by a **Member** or **additional covered party** prior to the presentation and acceptance of the **suit** or **claim** by the **Pool**. For this limit of coverage, the word settlement is defined to mean any verbal or written agreement to resolve the **claim** or **suit** reached by the **Member** or **additional covered party** and the claimant/plaintiff.

B. Supplementary Payments

The **Pool** will pay, but not in addition to damages, with respect to any claim or **suit** the **Pool** defends:

1. All defense costs and expenses the **Pool** incurs.
2. All reasonable expenses incurred by the **Member** or **additional covered party** at the **Pool's** request to assist us in the investigation or defense of the claim or **suit**.
3. All interest on the amount of any judgment that accrues after entry of the judgment and before the **Pool** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

C. Limits of Liability

1. The most the **Pool** will pay as damages and supplementary payments for any coverage arising out of any one **occurrence**, an **advertising** or **personal injury** offense, or **contractual liability** is the limit of liability shown in the Coverage Summary; regardless of the number of **Members** or **additional covered parties**, claims made or **suits** brought, or persons or organizations making claims or bringing **suits**; provided, when an **occurrence**, **offense**, or **contractual liability** spans more than one coverage period, the most the **Pool** will pay is the highest limit of liability as shown in the Coverage Summary.
2. The most the **Pool** will pay as damages and supplementary payments for liability arising from **products/completed operations hazard** arising out of one or more **occurrences** in a Coverage Period is the limit of liability shown in the Coverage Summary, regardless of the number of **Members** or **additional covered parties**, claims made or **suits** brought, or persons or organizations making claims or bringing **suits**.
3. If this Coverage Document and any other coverage document or coverage form issued to a **Member** by the **Pool** apply to the same occurrence, the combined maximum limits of liability under all the coverage documents or coverage forms shall not exceed the highest applicable limit of liability available under any one coverage document or coverage form.

Section 2. Who is Covered?

The coverage afforded by this Coverage Document applies to:

- A. The **Member** identified in the Coverage Summary.
- B. **Additional covered parties** as follows:
 - 1. Any official, trustee, employee, or volunteer of the **Member** but only while acting within the scope of his or her official duties. Any spouse that is also party to litigation due to their spouse being an **additional covered party** listed here.
 - 2. Any person or entity to which the **Member** is obligated by virtue of a written contract to provide coverage such as is provided by this Coverage Document but only in respect to operations or services provided to the **Member** at its request as set forth in the written contract; Provided, any such written contract shall meet the **Pool's** underwriting and contract standards (when applicable) and if it does not then this Coverage Document shall provide no coverage to the person or entity; Provided further, any such written contract must contain a hold harmless provision endorsed by the **Pool**.
 - 3. A Rideshare driver while operating a Rideshare vehicle during the commute or **incidental to the commute**.
 - 4. Any person or entity named on a **Pool** issued Coverage Certificate to extend **Member** Coverage.
- C. The **Pool** and the employees of the **Pool** while acting within the scope of their official duties.

Section 3. Exclusions

This Coverage Document does not apply to and there is no coverage for:

- A. Intentional Acts - **Bodily injury** or **property damage** expected or intended from the standpoint of the **Member** or **additional covered party**. This exclusion does not apply to:
 - 1. The use of reasonable force to protect persons or property; or
 - 2. **Member's** liability for damages as a result of vicarious liability for acts of its employees.
- B. Workers' Compensation - Any obligation under a workers' compensation law or any similar law. This exclusion does not apply where an employee of **Member** is injured in the course of such employment where it is determined that the employee is not entitled to receive worker's compensation benefits.
- C. Aircraft - Liability arising out of the ownership, maintenance, use, or entrustment to others of any aircraft or operation of any airfield.
- D. Pollution - **Bodily injury, property damage, or personal injury** which would not have occurred in whole or in part but for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants** at any time. This exclusion does not apply to:
 - 1. **Bodily injury, property damage, or personal injury** caused by heat, smoke, or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be; or

2. The discharge, dispersal, seepage, migration, release, or escape of pollutants caused directly by the upset, overturn, or damage of a motor vehicle for which this Coverage Document provides liability coverage.
- E. War, Insurrection, and **Terrorist Activity**
Bodily injury or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, or **terrorist activity**.
- F. Owned, Rented, or Occupied Property
Property damage to:
1. Property **Member** owns, rents, or occupies; or
 2. Property loaned to **Member**.
- G. Certain **personal injury** and **advertising injury** activities
1. **Personal injury** or **advertising injury**:
 - a. Arising out of oral or written publication of material, if done by or at the direction of **Member** or **additional covered party**, with knowledge of its falsity;
 - b. Arising out of oral or written publication of material the first publication of which took place prior to the coverage period; or
 - c. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of **Member** or **additional covered party**.
 2. **Advertising injury** arising out of:
 - a. Breach of contract;
 - b. The failure of goods, products, or services to conform with advertised quality or performance; or
 - c. The wrong description of the price of goods, products, or services.
- H. **Employment Practices Claims**
- I. Fines, Punitive Damages, or Exemplary Damages.
- J. Watercraft
Liability arising out of the ownership, maintenance, use (including loading, unloading, embarking, or disembarking), or entrustment to others of any watercraft.
- K. Nuclear Material
Liability arising out of the hazardous properties of nuclear material.
- L. Asbestos, Lead, and Mold
Liability arising out of, resulting from, caused or contributed to by asbestos, lead, or mold or exposure to asbestos, lead, or mold or for the costs of abatement, mitigation, removal, or disposal of asbestos, lead, or mold.
- M. Breach of Contract
Except as provided in Coverage C., Contractual Liability, liability for breach of contract, or failure to perform contractual obligations.
- N. Consisting of damages, loss, costs, or expenses because of **personal injury**, **advertising injury**, or **property damage** arising directly or indirectly out of:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of non-public information; or
2. The loss of, loss of use, damage to, corruption of, inability to access, or inability to manipulate electronic data.
3. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, costs, or expenses incurred by any **Member** or others out of that which is described in paragraph 1 or 2 above.

O. Personal Use of a Rideshare Vehicle

Liability arising out of personal use of Rideshare vehicles. Personal use is outside of normal commute times and outside of the definition of **incidental to the commute**.

P. Communicable Disease

All actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense costs, cost, expense, or any other amount incurred by or accruing to the **Member** or **Additional Covered Party** directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributing to, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

Q. The **Pool** will not cover any matter for which **Member** or **additional covered party** has coverage under the Public Officials Liability Coverage Document issued by **Pool** to **Member**.

R. Any liability, loss, damage, cost, expense, fine, or penalty arising out of, resulting from, caused, or contributed by or in any way related to **PFAS**, including, but not limited to:

1. The actual, alleged, threatened, or suspected:
 - a. Inhalation of, ingestion of, contact with, exposure to, existence of, or presence of **PFAS**;
 - b. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of **PFAS**;
 - c. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release, or escape of **PFAS**;
 - d. Providing or failing to provide warnings or instructions with respect to **PFAS**;
 - e. Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **PFAS**; or
 - f. Violation of any national, state, or local law or regulation related to **PFAS**;
2. Any request, demand, order or statutory, regulatory, or legal requirement of any kind that any Member or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, assess, or remediate the effects of **PFAS**;
3. Any claim or suit by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to or assessing the effects of **PFAS**; or
4. Any other injury or damage, liability, loss, costs, expense, fine or penalty arising out of or in any way related to **PFAS** including but not limited to punitive or exemplary damages.

This exclusion applies regardless of whether the goods, products, materials, compounds, or substances that are defined as **PFAS** are a solid, liquid, or gas (including but not limited to dust, smoke, vapor, soot, or fumes).

- S. Coverage under this Coverage Document does not apply to the use of 15-passenger vans for transportation contracts or any use, except this exclusion does not apply to public rideshare programs or services where the driver is a **Member** employee.
- T. Coverage under this Coverage Document does not apply to **personal injury** committed by any “peace officer” as defined in RCW 10.120.010 et seq. or any **Member** employee using “deadly force” as defined in RCW 10.120.010 et seq. or “physical force,” as defined in RCW 10.120.010 et seq. involving the use of knives, conducted energy weapons, or firearms.

Section 4. General Coverage Document Conditions

A. Legal Action Against the *Pool*

No person or entity may:

1. Join the *Pool* as a party or otherwise bring the *Pool* into a *suit* seeking damages from *Member* or *additional covered party*; or
2. Sue the *Pool*, unless all of the terms of this Coverage Document have been met.

B. Other Coverage

If other coverage is available to *Member* or *additional covered party* for an *occurrence* or *offense*, our obligations are limited as follows:

1. Primary Coverage.

This coverage is primary, except as provided by Section 2 Excess Coverage (below). If this coverage is primary, the *Pool's* obligations are not affected, unless the other coverage is also primary in which case the *Pool* will share coverage by the method described in Section 3 Method of Sharing (below).

2. Excess Coverage

- a. This coverage is excess over other coverages where the other coverage is available to the *Member* as an *additional covered party* or additional insured under a Coverage Document or policy issued by a contractor or service provider performing work for the *Member* or an *additional covered party* driving their own personal vehicle or a non-workers' compensation occupant of an agency, rental vehicle, or personally/privately owned vehicle for *Member*-approved business travel.
- b. When this coverage is excess, the *Pool* has no duty to defend any *suit* or claim that some other entity has a duty to defend. However, if such other entity fails or refuses to defend, then the *Pool* will do so on the condition that the *Member* or *additional covered party* transfers to the *Pool* their rights to proceed against that entity.
- c. When this coverage is excess, the *Pool* will pay the amount of damages not paid by underlying coverages but only to the *Pool's* limits of liability.

3. Method of Sharing

- a. If the other coverages permit contribution by equal shares, the *Pool* shall follow this method so that each entity providing coverage contributes equal amounts up to its coverage limits.
- b. If the other coverages do not permit contribution by equal shares, the *Pool* shall contribute by limits so that each entity providing coverage shall contribute based on the ratio of its applicable limit to the total limits of all entities providing coverage.

Section 5. Endorsements

Endorsement 1

Communicable Disease Liability

The **Pool** shall pay on behalf of the **Member** or **additional covered party** for loss and/or legal expenses legally obligated to pay as damages by reason of liability imposed upon the **Member** or **additional covered party** because of **bodily injury** or **property damage** (Coverage A) caused by an **occurrence** which occurs during the coverage period, and which is caused by the actual, alleged, or threatened infectious, pathogenic, toxic, or other harmful properties of a **Communicable Disease**.

<i>Per Occurrence:</i>	\$500,000
<i>Annual Aggregate for all Members and Additional Covered Parties for the combination of loss and legal expenses:</i>	\$1,500,000
<i>Deductible:</i>	\$0

All exclusions in Section 3 will apply except for the Communicable Disease Exclusion (Section 3. P.)

Endorsement 2

Transit Rider Medical Expense Protection

Definitions Applicable to this Endorsement: the **Pool** will interpret any ambiguity in a reasonable manner, as determined by the **Pool** and at its sole and absolute discretion.

- A. **Bodily injury** means physical injury, mental injury, shock, sickness, or disease sustained by a person, including death, resulting from any of these at any time.
- B. **Claim** means written notice from any person or entity that it is his, her, or its intention to hold **Member** or **additional covered party** responsible for damages arising out of an **occurrence**.
- C. **Medical and hospital benefits** means payments for reasonable and necessary medical expenses incurred as a result of a covered **occurrence** and includes payments for doctor and emergency room visits, physical therapy, chiropractic treatment, dental services, prescriptions, prosthetic devices, ambulance expenses, and funeral expenses. Benefits do not include loss of income or expenses for household services.
- D. **Member** means a local governmental public transit entity which participates in the **Pool's** joint self-insurance program as evidenced by such entity's execution of the **Pool's** Interlocal Agreement.
- E. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in **bodily injury** or **property damage**.
- F. **Pool** means the Washington State Transit Insurance Pool.
- G. **Transit rider** means an occupant of a **Member** transit vehicle, including the **Member's** public Rideshare vehicles, when the vehicle is being operated by a **Member's** employee or approved volunteer Rideshare driver. This definition does not include riders in vehicles that are operated by another entity by contract with a WSTIP Member. A **transit rider** is not an employee of the **Member**.

Transit Rider Medical Expense Protection Endorsement

The **Pool** will pay or reimburse any verified **transit rider** for incurred **medical and hospital benefits** suffered from a **bodily injury** due to an accident (**occurrence**) that occurred while boarding, alighting, during their trip, or when the transit vehicle is temporarily stopped.

Per Occurrence :	\$15,000
Per Claim :	\$2,500
Deductible:	\$0

Excess Coverage

This coverage is excess over any other coverage available to the **transit rider**, such as but not limited to personal injury protection insurance, auto insurance (their own or that of an at-fault party), medical insurance, or the like. This coverage is not stackable with any other **Pool** coverage. The **Pool** will not coordinate benefits and is excess/secondary to any and all other coverage available to the **transit rider**.

Reimbursement Coverage

This coverage is intended to reimburse and/or assist the **transit rider** for incurred **medical and hospital benefits** that would otherwise not be available. The **Pool** may, at its own discretion, directly pay medical providers.

The Pool will not pay:

- A. Lost wages or loss of income,
- B. Pain and suffering,
- C. Emotional distress,
- D. Expense for household services,
- E. Deductibles,
- F. Copayments, or
- G. Similar general or special damages.

Sharing Among Transit Riders

It may be necessary for the per **occurrence** limit to be distributed among **transit riders** injured during the same **occurrence**. The **Pool** will utilize the following method for distributing the limit among **transit riders**:

Pro rata – equal shares on known **claims**, up to the per **claim** or **occurrence** limit. Once the per **occurrence** limit is reached, the **Pool** has no obligation to make any additional payments.

Conditions of Coverage

The **Pool** must be able to verify that the **transit rider** was entering or exiting the transit vehicle, or was on board, when the accident occurred. Any **claim** under this Endorsement or part thereof, must be brought within three (3) years of the date of the **occurrence**. Any **claim** not timely made will be denied.

Exclusions

Transit riders eligible for benefits under Coverage D. Rideshare Driver Medical Expense are excluded from benefits available in this Endorsement.

Right to Recovery and Subrogation

Transit riders must cooperate with the **Pool** and assist the **Pool** in the **Pool's** pursuit of subrogation or reimbursement from third-parties and must not waive rights without the **Pool's** written consent. If any **transit rider** for whom the **Pool** makes payment(s) under this Endorsement has rights to recover damages from another, those rights, to the extent of the **Pool's** payment(s), are immediately transferred to the **Pool**.

Placing a Claim

A **transit rider** can make a claim by contacting the **Pool's** Claims Staff at claims@wstip.org or calling (360) 786-1620.



PUBLIC OFFICIALS LIABILITY COVERAGE DOCUMENT

COVERAGE SUMMARY

COVERAGE DOCUMENT NO. WSTIP POL 2026 – BFT

MEMBER:	Ben Franklin Transit 1000 Columbia Park Trail, Richland, WA 99352																						
COVERAGE PERIOD:	From: January 1, 2026 12:01 AM	To: January 1, 2027 12:01 AM																					
Retroactive Date: January 1, 1989; except January 1, 2018 for \$5,000,000 Excess \$20,000,000; except January 1, 2026 for \$5,000,000 Excess \$25,000,000.																							
<p>The Coverage Document for the Pool consists of the Coverage Summary, Table of Contents, Introduction, Layered Coverage, Definitions, Coverage Part, Coverage Agreement, Who is Covered, Limits of Coverage, Extended Reporting Period, Exclusions, and Endorsements. Coverage above the Pool's \$1.5 million retention is in layers. These layers are as follows:</p> <table border="0"> <tr> <td>Washington State Transit Insurance Pool (WSTIP)</td> <td>\$0 to \$1.5 million</td> <td>Self-Insurance Retention</td> </tr> <tr> <td>Governmental Entities Mutual, Inc. (GEM)</td> <td>+\$1.5 million to \$5 million</td> <td>Reinsurance</td> </tr> <tr> <td>Safety National Casualty Corporation</td> <td>+\$5 million to \$10 million</td> <td>Reinsurance</td> </tr> <tr> <td>Munich Reinsurance America, Inc. (Munich Re)</td> <td>+\$10 million to \$15 million</td> <td>Reinsurance</td> </tr> <tr> <td>Obsidian Specialty Insurance Company (via Metis)</td> <td>+\$15 million to \$20 million</td> <td>Reinsurance</td> </tr> <tr> <td>StarStone Speciality Insurance Company</td> <td>+\$20 million to \$25 million</td> <td>Excess Insurance</td> </tr> <tr> <td>Allied World Assurance Company (AWAC)</td> <td>+\$25 million to \$30 million</td> <td>Excess Insurance</td> </tr> </table> <p>THE COVERAGES ABOVE THE POOL'S SELF-INSURANCE RETENTION ARE SUBJECT TO THE TERMS, CONDITIONS, AND LIMITATIONS IN THE RESPECTIVE REINSURANCE OR EXCESS INSURANCE AGREEMENTS.</p>			Washington State Transit Insurance Pool (WSTIP)	\$0 to \$1.5 million	Self-Insurance Retention	Governmental Entities Mutual, Inc. (GEM)	+\$1.5 million to \$5 million	Reinsurance	Safety National Casualty Corporation	+\$5 million to \$10 million	Reinsurance	Munich Reinsurance America, Inc. (Munich Re)	+\$10 million to \$15 million	Reinsurance	Obsidian Specialty Insurance Company (via Metis)	+\$15 million to \$20 million	Reinsurance	StarStone Speciality Insurance Company	+\$20 million to \$25 million	Excess Insurance	Allied World Assurance Company (AWAC)	+\$25 million to \$30 million	Excess Insurance
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COVERAGE:	LIMITS OF LIABILITY and DEDUCTIBLES:																						
<i>Per Wrongful Act and Annual Aggregate including loss and claim expenses:</i>	<i>Limit: \$20,000,000</i> <i>Deductible: \$5,000</i>																						
	<i>Excess Policy: \$5,000,000 Excess \$20,000,000</i> <i>StarStone Specialty Insurance Company</i> <i>Excess Policy: \$5,000,000 Excess \$25,000,000</i> <i>Allied World Assurance Company</i>																						
ENDORSEMENT 1 – VIOLATIONS OF WAGE AND HOUR LAWS																							
<i>Per Occurrence and Annual Per Member Aggregate:</i>	<i>Limit: \$250,000</i> <i>Deductible: \$25,000</i>																						

Washington State Transit Insurance Pool

Matthew Branson, Executive Director

January 1, 2026



PUBLIC OFFICIALS LIABILITY
COVERAGE DOCUMENT
2026

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Introduction

The Washington State Transit Insurance Pool (**Pool**) is not an insurance company. It is an entity created pursuant to RCW 48.62. It is controlled and governed by applicable state statutes and regulations, the Interlocal Agreement through which the **Pool** was formed, and its own Bylaws and governance documents.

The state statutes and regulations that apply to insurance companies do not apply to the **Pool**. The **Pool** is not regulated by the state insurance commissioner. The judicial cases that apply to the construction and interpretation of insurance policies do not apply to this Coverage Document.

The purpose of this Coverage Document is to give full effect to the intent of the **Members** as expressed herein, not to impose on **Members** an interpretation of construction of coverage that reflects policy considerations or legal requirements applicable to a traditional insurer/insured relationship as expressed in case law applying Washington or other jurisdictions' insurance law.

This Coverage Document shall be construed, applied, and interpreted in accordance with the **Pool's** rules, regulations, and Bylaws.

Various provisions in this Coverage Document restrict coverage. Please read the entire document carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the **Member** shown in the Coverage Summary and any other person or organization qualifying as an **additional covered party**. The words "we," "us," "our," "WSTIP," or "**Pool**" refer to the Washington State Transit Insurance Pool.

Words and phrases that appear in **bold** and *italics* have special meaning. Please refer to Definitions.

Layered Coverage

The coverage provided by the **Pool's** program is in layers. The first layer of coverage is funded by the **Pool** and the terms and conditions governing that coverage are set forth in this Coverage Document. Above the **Pool's** layer of coverage are coverages provided by excess insurers or reinsurers. For the most part, the coverages provided by the excess insurers or reinsurers "follow the form" of the **Pool's** coverage but there are some differences. Coverage for any loss above the **Pool's** layer shall be determined by the terms, conditions, and exceptions as set forth in the excess or reinsurance coverage documents.

Definitions

The following terms are defined as follows:

- A. **Additional covered party** are those persons or entities set forth in Section 2B.
- B. **Advertising injury** means injury arising out of one or more of the following **offenses** committed in the course of advertising your goods, products, or services.
1. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
 2. oral or written publication of material that violates a person's right of privacy;
 3. misappropriation of advertising ideas or style of doing business; or
 4. infringement of copyright, title, or slogan.
- C. **Bodily injury** means physical injury, mental injury, shock, sickness, or disease sustained by a person, including death, resulting from any of these at any time.
- D. **Claim** means written notice from any person or entity that it is his, her, or its intention to hold **member** or **additional covered party** responsible for damages arising out of a **wrongful act**.
- E. **Claim expenses** mean:
1. **claim** investigation costs;
 2. legal expenses; and
 3. litigation costs, pre- and post-judgment interest on awards and judgments, and the cost of bonds to release attachments or to appeal.
- Claim expenses** do not include salaries and expenses of employees of **Member**, overhead, or any fees paid for claim administration.
- F. **Communicable Disease(s)** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
1. The substance or agent includes, but is not limited to; a virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not; and
 2. The method of transmission, whether direct or indirect, includes but is not limited to; airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas, or between organisms; and
 3. The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare, or property damage.
- G. **Employment Practices Claim(s)** means:
1. Wrongful refusal to employ a qualified applicant for employment;
 2. Wrongful failure to promote;
 3. Wrongful deprivation of career opportunity;
 4. Wrongful demotion, evaluation, reassignment, or discipline;
 5. Wrongful termination of employment, including constructive discharge;

6. Employment-related misrepresentation; or
7. Harassment, coercion, discrimination, retaliation, or humiliation; as a consequence of race, creed, color, religion, national origin, marital status, medical condition, gender or gender expression, age, genetic information, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference, honorably discharged veteran or military status, or any other protected class or characteristic established by an applicable federal, state, or local statute.

Tendered to the **Pool** in the form of:

1. a written demand for monetary damages or non-monetary relief;
 2. a civil proceeding commenced by service of a complaint or similar pleading;
 3. a criminal proceeding commenced by filing of charges;
 4. a formal administrative or regulatory proceeding against you commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document, including a proceeding before the state Human Rights Commission or Equal Employment Opportunity Commission.
- H. **Loss** means the amount the **Member** or **additional covered party** becomes legally obligated to pay as damages, as a result of, judgments or settlements, including **claim expenses** for any **wrongful acts**.
- I. **Member** means a local governmental public transit entity which participates in the **Pool's** joint self-insurance program as evidenced by such entity's execution of the **Pool's** Interlocal Agreement.
- J. **Offense** means any of the **acts or conduct** included in the definitions of **advertising injury** or **personal injury**.
- K. **Personal injury** means injury arising out of one or more of the following **offenses**:
1. false arrest, detention, or imprisonment;
 2. malicious prosecution;
 3. defamation;
 4. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies;
 5. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
 6. oral or written publication of material that violates a person's right of privacy;
 7. assault or battery, unless such would constitute a crime in the state in which it was committed, except as provided in § 8 below; or
 8. assault or battery committed by, at the direction, or with the consent of **Member** but only if committed by a **Member** employee acting within the scope of his or her employment and not involving the use of "deadly force" as defined in RCW 10.120.010 et seq. or "physical force," as defined in RCW 10.120.010 et seq. involving the use of knives, conducted energy weapons, or firearms. **Personal injury** does not include any assault or battery committed by a "peace officer" as defined in RCW 10.120.010 et seq.

9. **employment practices claims.**

L. **PFAS** means:

1. any perfluoroalkyl or polyfluoroalkyl substances, including but not limited to:
2. perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA), perfluorobutane sulfonic acid (PFBS), N-methylperfluorooctane sulfonamido acetic acid (Me-PFOSA-AcOH), perfluorobutanesulfonate, perfluorohexane sulfonic acid (PFHxS), potassium perfluorobutane sulfonate (PFBS), or ammonium perfluorooctanoate (APFO), GenX, including hexafluoropropylene oxide dimer acid (HFPO-DA); any substance that, by whatever name known:
 - a. has a similar chemical formulary, formation, or structure to any substance listed in paragraph 1 above;
 - b. is a derivative of or an intended replacement of any substance listed in paragraph 1 above;
 - c. is an associated homologue, isomer, salt, ester, alcohol, acid, or is a related degradation or by-product, of any substance listed in paragraph 1 above;
 - d. contains at least one fully fluorinated methyl or methylene carbon atom (without any H/Cl/Br/I atom attached to it); or
 - e. had been referred to by chemical structure, name or CAS Number, as a known or suspected **PFAS**, perfluoroalkyl, or polyfluoroalkyl chemical or substance in any foreign or United States federal, state or local statute, law, regulation, rule or written proposed rule, or governmental bulletin (including but not limited to publications of the United States Environmental Protection Agency) that had been published as of the effective date of this Coverage Document; or
3. any goods, products, materials, compounds, or substances that actually or allegedly consist of, contain, or are contaminated with any amount of the substances described in paragraphs 1 or 2 above.

M. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

N. **Pool** – The words “we,” “us,” “our,” “WSTIP,” or “**Pool**” refer to the Washington State Transit Insurance Pool.

O. **Professional services** means:

1. the practice of medicine, such as (but not limited to) physician, surgeon, osteopath, chiropractor, anesthesiologist, dentist, psychiatrist, psychologist, nurse, paramedic, emergency medical technician, or pharmacist; or
2. services by architects, engineers, surveyors, or draftsmen.
3. **Professional services** does not include the rendering of emergency first aid including the administration of an opioid overdose medication (such as Naloxone).

- P. **Property damage** means physical injury to tangible property, including all resulting loss of use of that property.
- Q. **Suit** means a civil proceeding which seeks damages arising out of a **wrongful act**. **Suit** includes:
1. an arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 2. any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
- R. **Terrorist activity** means activities against persons, organizations, or property of any nature:
1. That involve the following preparation:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic communication, information or mechanical system; and
 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives, or to express (or express opposition to) a philosophy or ideology.
- S. **Wrongful act** means:
1. any actual or alleged error, misstatement, or misleading statement, or any act, omission, breach of duty, or neglect including malfeasance, misfeasance, and nonfeasance by **Member** or **additional covered party** rendered in the discharge of his or her duties for you; and
 2. any actual or alleged **Employment Practices Claims**.

Coverage Part

Section 1. Coverage Agreement

A. Coverage

1. Generally, the **Pool** will pay for losses arising from public officials' errors and omissions, and employment practices liability. Specifically, we will pay on behalf of **Member** or **additional covered party** those sums that **Member** or **additional covered party** become legally obligated to pay as **loss** because of a **wrongful act** to which this coverage applies.
2. This coverage applies to a **wrongful act** only if:
 - a. The **wrongful act** takes place after the Retroactive Date shown in the Coverage Summary and before the end of the coverage period; and

- b. A **claim** is first made against **Member** or **additional covered party** as set forth in paragraph B. below during the coverage period or any extended reporting period we may provide according to Section 4 – Extended Reporting Period.

B. Claims

1. A **claim** will be deemed to have been made at the earlier of the following:
 - a. When a **claim** is received and recorded by the **Pool**; or
 - b. When notice is provided as detailed in C.1. below, but not later than:
 - i. The end of the coverage period; or
 - ii. The end of any applicable extended reporting period.
2. All **claims** based on or arising out of the same **wrongful act**, or a series of related **wrongful acts**, by one or more covered entities shall be considered first made when the first of such **claims** is made.

C. Member Responsibilities

1. Immediate Reporting of **Claims** or **Suits** – If a **Member** receives a written **claim** or **suit** that may involve coverage under this Coverage Document, the **Member** must record the time and date on which the **Member** received the **claim** or **suit** and immediately provide a copy of all documents received to the **Pool**.
2. Reporting Prior to **Claim** or **Suit** – If an event or situation occurs that **Member** believes may result in a **claim** or **suit**, **Member** must notify us in writing within a reasonable timeframe. Such notice should include an overview of the situation including all involved parties (name, address, and other contact information), what happened, when it happened, and where it happened.
3. Cooperate in the Process – A **Member** or **additional covered party** shall authorize the **Pool** to obtain records or other information; and cooperate with the **Pool** in the investigation, defense, settlement, or trial of any **claim** or **suit**. The **Member** or **additional covered party** must also cooperate with **Pool** in providing information necessary to expedite the internal appeals process.
4. Pay the Deductible – A **Member** is obligated to pay its deductible.
5. Duty to Mitigate – Following a **claim**, **suit** or **loss**, the **Member** is obligated to take reasonable steps in mitigation to this or future similar covered **loss** or damage.
6. Cooperate in Subrogation / Do Not Waive Subrogation without the **Pool's** Consent – If any **Member** for whom the **Pool** makes payment under this Coverage Document has rights to recover damages from another; those rights are transferred to us, to the extent of our payment. That **Member** must do everything necessary to secure the **Pool's** rights and must do nothing after loss to impair them, unless the **Member**, with the **Pool's** written consent, has waived its rights prior to loss. The **Member** acknowledges that the **Pool** or its designated agent may bring suit in the name of the **Member**.

7. Exhaust Your Remedies – A **Member** must exhaust all remedies available under the Interlocal Agreement, Bylaws, and Governance Policies prior to suing us for coverage under this Coverage Document.

D. **Pool's Responsibilities**

1. Investigate – The **Pool** may, at our discretion, investigate and settle any reported event or situation we consider appropriate. The **Pool** has the right to investigate and settle any **claim** or **suit** as we consider appropriate.
2. Duty to Defend – The **Pool** has a duty to defend any **suit** seeking damages from a **Member** or **additional covered party** for **wrongful acts** to which this coverage applies even if the allegations are groundless, false, or fraudulent.

If the **Pool** initially defends a **Member** or **Additional Covered Party** or pays for a **Member's** or **Additional Covered Party's(ies')** defense, but later determines that none of the **claims** for which the **Pool** has provided a defense or paid defense fees and/or costs are covered under this Coverage Document, the **Pool** has the right to seek reimbursement of the defense fees and/or costs the **Pool** has incurred. The **Pool** must advise the **Member** or **Additional Covered Party** of its right to seek reimbursement of defense fees and/or costs in any reservation of rights communicated to the **Member** or **Additional Covered Party**. The right to reimbursement under this section will only apply to the defense fees and/or costs the **Pool** has incurred after the **Pool** has notified the **Member** or **Additional Covered Party** that, based on developments or decisions in the claim or lawsuit being defended, no covered or potentially covered claim continues to exist and that, as a result, the **Pool** no longer has any defense obligation but is continuing to provide a defense as a matter of courtesy.

3. Inform the **Member** of Coverage Limitations – The **Pool** has a responsibility to inform the **Member** or **additional covered party** of any identified limitations to the coverage afforded under this agreement including an outright denial of coverage within 30 days.
4. Pay to the Limits – The **Pool's** duty to defend or settle ends when the limit of liability has been exhausted by payment of damages, judgments, settlements, or **claim expenses**.
5. Not Pay Expenses Prior to Acceptance – The **Pool** has no duty to pay any damages, judgments, settlements, or **claim expenses** incurred by a **Member** or **additional covered party** prior to the presentation and acceptance of the **suit** or **claim** by the **Pool**. For this limit of coverage, the word settlement is defined to mean any verbal or written agreement to resolve the **claim** or **suit** reached by the **Member** or **additional covered party** and the claimant/plaintiff.

E. **Other Conditions of Coverage**

1. Legal action against us – No person or entity may join us as a party in a **suit** seeking damages from a covered party.
2. Other insurance – The coverage provided by this Coverage Document shall be excess over any other valid and collectible coverage or insurance for a **loss** covered by this Coverage Document, whether such coverage or insurance is stated to be primary, contributory, excess, contingent, or otherwise. However, this condition does not apply if the other coverage or

- insurance was purchased specifically to apply in excess of this insurance and identifies this policy as primary insurance.
3. No assignment – Your rights and duties under this Coverage Document may not be assigned or transferred without the **Pool's** consent.

Section 2. Who is Covered?

The coverage afforded by this Coverage Document applies to:

- A. The **Member** identified in the Coverage Summary.
- B. Each of the following are **additional covered parties** while acting within the scope of his, her, or its duties on **Member's** behalf of the **Member**:
 1. elected, appointed, and employed officials;
 2. current or former members of commissions, boards, or other units operated by you;
 3. your current or former employees;
 4. all persons who perform a service on a volunteer basis for you, provided such performance is under your direction and control. This does not include any person or entity working on retainer or as an independent contractor;
 5. all persons or organizations providing service to you under any mutual aid or similar agreement; and
 6. the estate of any person or entity described in this subsection, provided any **claim** is first made within one year of that person's death.
- C. The **Pool** and its employees while acting within the scope of their official duties.

Section 3. Limits of Coverage

- A. The most we will pay for all **loss** arising from a **wrongful act** during any coverage period is the limits of liability as shown in the Coverage Summary.
- B. The limits of liability as set forth above is the most we will pay regardless of the number of covered persons or the number of **suits** or **claims**.
- C. The applicable limit of liability is that of the **Pool's** Coverage Document in effect at the time of a **suit** or when a **claim** is made.

Section 4. Extended Reporting Period

- A. If this coverage is canceled or not renewed, we will provide a basic extended reporting period without additional charge or, at your option, a supplementary extended reporting period for an additional charge. An extended reporting period does not change the scope of coverage or extend the coverage period. It only extends the reporting period to report a **claim** to us.

- B. The basic extended reporting period starts with the termination of coverage and lasts for 60 days. The basic extended reporting period does not apply to **claims** that are covered under any subsequent coverage or insurance you purchase, or that would be covered but for the exhaustion of the amount of coverage or insurance applicable to such **claims**.
- C. Supplementary extended reporting period:
1. a supplemental extended reporting period of one-year duration is available but only by an endorsement;
 2. this supplemental period starts when the basic extended reporting period ends;
 3. you must give us a written request for the endorsement within 60 days after the end of the coverage period. The supplemental extended reporting period will not go into effect unless you pay the additional contribution promptly when due;
 4. the additional contribution shall be 100 percent of the **Member's** annual contribution for public officials' liability coverage; and
 5. the coverage afforded through the supplementary extended reporting period shall be excess over any other valid and collectible coverage or insurance.

Section 5. Exclusions

This coverage does not apply to a **loss**:

- A. Arising out of any **wrongful act(s)** that takes place prior to the retroactive date(s) of this Coverage Document.
- B. Consisting of liability imposed on **Member** or **additional covered party** under: the Employee Retirement Income Security Act of 1975 (ERISA), the Comprehensive Omnibus Budget Reconciliation Act (COBRA), the Worker Adjustment Retraining Notification Act (WARN), wage and hour laws, any similar federal, state, or local laws; any amendments to such laws, or any regulations promulgated under any such laws.
- C. Arising out of condemnation, inverse condemnation, adverse possession, dedication by adverse use, or disputes involving the application of impact or linkage fees. This includes but is not limited to, takings and partial takings of private property resulting from the application of a land use, zoning, building, subdivision, or similar laws or regulations.
- D. Arising out of or attributable to the **Member** or **additional covered party** obtaining profit, advantage or remuneration to which the **Member** or **additional covered party** is not entitled. The **Pool** shall defend any such allegations against any **Member** or **additional covered party** until there is a final adjudication, judgment, admission, or decision. This exclusion shall not apply to any **Member** or **additional covered party** who did not commit, personally know of, or acquiesce in such conduct.
- E. Arising out of **bodily injury, property damage, personal injury, or advertising injury**. This exclusion does not apply to **loss** by an employee, former employee, or prospective employee or by the spouse or child thereof resulting from an **Employment Practices Claim**.

- F. Arising out of or contributed to by fraud, dishonesty, malicious actions, bad faith, criminal actions, or arising from the intentional violation of any federal, state, or local statute, ordinance, rule, or regulation. The **Pool** shall defend any such allegations against any **Member** or **additional covered party** until there is a final adjudication, judgment, admission, or decision. This exclusion shall not apply to any **Member** or **additional covered party** who did not commit, personally know of, or acquiesce in such conduct.
- G. Arising out of, directly or indirectly, debt security financing, including but not limited to bonds, notes, and debentures.
- H. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants** at any time.
- I. Arising out of, resulting from, caused or contributed to by asbestos, lead, or mold or exposure to asbestos, lead, or mold, or for the costs of abatement, mitigation, removal, or disposal of asbestos, lead, or mold.
- J. Arising out of breach of contract.
- K. Resulting from the assumption of liability in a contract or agreement. This exclusion does not apply to **loss** that you would have in absence of the contract or agreement.
- L. Arising out of or related to any award, order, or relief granted in any labor arbitration proceedings, civil service hearings, mediation, grievance, unfair labor practices proceedings, or any other similar employer/employee labor dispute, administrative hearing, or proceeding initiated against a **Member** under the laws of the State of Washington and/or the United States of America or any collective bargaining agreement between **Member** or **additional covered party** and any employee, employee bargaining unit or union for any form of grievance resolution, including any defense cost associated with any proceeding described in this paragraph.
- M. Arising out of the destruction or disappearance of money, securities, or the loss of use thereof.
- N. Arising out of or contributed to by your failing to place or maintain any insurance, bond, or self-insurance.
- O. Arising out of rendering or failure to render **professional services**. **Professional services** does not include the rendering of emergency first aid including the administration of an opioid overdose medication (such as Naloxone).
- P. Arising out of:
 - 1. any tax assessments or adjustments;
 - 2. the collection, refund, disbursement, or application of any taxes; or
 - 3. failure to anticipate tax revenue shortfalls.
- Q. Consisting of punitive damages, multiplied damages, criminal fines, or civil penalties, or any other damages, fines, penalties or assessments that are imposed for the purposes other than to compensate an injured person or entity for their actual injury, **loss**, or damage.

To the extent allowed by law, this exclusion does not apply to **loss** resulting from **claims** for relief or complaints filed with the Equal Employment Opportunity Commission or state or federal Human Rights Commission.

- R. Arising out of or related to any **claim** or **suit** for equitable relief, including action for injunctive relief or declaratory relief.
- S. For **bodily injury** or **property damage** due to war (declared or not) or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, or **terrorist activity**.
- T. Arising out of the hazardous properties of nuclear material.
- U. Arising out of the actual or alleged violation of the Public Records Act (RCW 42.56) and/or the Open Public Meetings Act (RCW 42.30).
- V. Arising out of the actual or alleged violation of wage and hour laws, including but not limited to RCW 49.46 and RCW 49.52.
- W. Consisting of any costs or expenses incurred to make premises accessible to persons with disabilities as required by the Americans with Disabilities Act; any similar federal, state, or local law; any amendments to such laws; or any regulations promulgated under any such laws.
- X. Consisting of actual or alleged awards or settlements of employee wages and employer-provided benefits such as but not limited to; vacation, general leave, sick leave, back pay, payroll taxes, and retirement. This exclusion does not apply to back pay awarded as part of an **Employment Practices Claim**.
- Y. Arising out of or related in any way to the ownership, maintenance, operations, use, loading, or unloading of aircraft.
- Z. Arising out of fireworks or pyrotechnics displays, events, or exhibitions.
- AA. For liability arising out of:
 1. An insufficiency of funds to meet any obligations under any plan included in the employee benefit program;
 2. Inadequacy of performance/advice given with respect to participation in the employee benefits program, including:
 - a. Failure of any investment to perform;
 - b. Errors in providing information on past performance of investment vehicles;
 - c. Advice given to any person with respect to that person's decision to participate or not participate in the employee benefit program.
- BB. Consisting of damages, or **loss** costs or expenses because of **personal injury**, **advertising injury**, or **property damage** arising directly or indirectly out of:
 1. Any access to or disclosure of any person's or organization's confidential or personal information; including, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
 2. the loss of, loss of use, damage to, corruption of, inability to access, or inability to manipulate electronic data.
 3. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other **loss**,

costs, or expenses incurred by any **Member** or others out of that which is described in paragraph 1 or 2 above.

- CC. **Communicable Disease** – All actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense costs, cost, expense, or any other amount incurred by or accruing to the **Member** or **Additional Covered Party** directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributing to, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.
- DD. For which there is coverage for **Member** or **additional covered party** under the Liability Coverage Document issued by **Pool** to **Member**.
- EE. Coverage under this Coverage Document does not apply to **personal injury** committed by any “peace officer” as defined in RCW 10.120.010 et seq. or any **member** employee using “deadly force” as defined in RCW 10.120.010 et seq. or “physical force,” as defined in RCW 10.120.010 et seq. involving the use of knives, conducted energy weapons, or firearms.
- FF. Arising out of, resulting from, caused, or contributed by or in any way related to PFAS, including, but not limited to:
 - A. The actual, alleged, threatened, or suspected:
 1. Inhalation of, ingestion of, contact with, exposure to, existence of, or presence of PFAS;
 2. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of **PFAS**;
 3. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release, or escape of **PFAS**;
 4. Providing or failing to provide warnings or instructions with respect to **PFAS**;
 5. Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **PFAS**; or
 6. Violation of any national, state, or local law or regulation related to **PFAS**;
 - B. Any request, demand, order or statutory, regulatory, or legal requirement of any kind that any Member or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, assess, or remediate the effects of **PFAS**;
 - C. Any claim or suit by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to or assessing the effects of **PFAS**; or
 - D. Any other injury or damage, liability, loss, costs, expense, fine or penalty arising out of or in any way related to **PFAS** including but not limited to punitive or exemplary damages.

This exclusion applies regardless of whether the goods, products, materials, compounds, or substances that are defined as **PFAS** are a solid, liquid, or gas (including but not limited to dust, smoke, vapor, soot, or fumes).

Section 6. Endorsements

Endorsement 1

Violations of Wage and Hour Laws

The **Pool** shall pay on behalf of the **Member** or **Additional Covered Party** for **loss** and/or legal expenses for an alleged violation of wage and hours laws such as, but not limited to, RCW 49.46 and RCW 49.52 as follows:

<i>Per Occurrence and Annual Aggregate Per Member Limit for the combination of loss and legal expenses</i>	<i>\$250,000</i>
<i>Deductible:</i>	<i>\$25,000</i>

The **Pool** shall have the right to select defense counsel.

The **Pool** shall not pay pre-judgement interest, multiplied damages, fines and penalties, or plaintiff demanded or awarded attorney's fees.



PROPERTY COVERAGE DOCUMENT

COVERAGE SUMMARY

COVERAGE DOCUMENT NO. WSTIP 2025-2026 PRP – (BFT)

MEMBER	Ben Franklin Transit 1000 Columbia Park Trail Richland, WA 99352	
COVERAGE PERIOD:	From: July 1, 2025 12:01 AM	To: July 1, 2026 12:01 AM
This Coverage Document consists of Coverage Summary and Property Coverage Document.		
In return for the payment of the contribution and subject to all terms of this Coverage Document, the Washington State Transit Insurance Pool agrees to provide the coverage as stated in this Coverage Document.		
LIMITS OF COVERAGE		
For Damage or Loss		\$ 250,000 per occurrence
SUBJECT TO THE FOLLOWING DEDUCTIBLES		
For Damage or Loss		\$ 5,000 per occurrence
For the Peril of Flood		\$ 250,000
For the Peril of Earthquake		5% per unit, subject to \$ 500,000 minimum

Washington State Transit Insurance Pool

Tracey Christianson, Executive Director
July 1, 2025



PROPERTY COVERAGE DOCUMENT

July 1, 2025 – July 1, 2026

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INTRODUCTION

The Washington State Transit Insurance Pool (Pool) is not an insurance company. It is an entity created pursuant to RCW 48.62. It is controlled and governed by applicable state statutes and regulations, the Interlocal Agreement through which the Pool was formed, and its own Bylaws and resolutions.

The state statutes and regulations which apply to insurance companies do not apply to the Pool. The Pool is not regulated by the state insurance commissioner. The judicial cases which apply to the construction and interpretation of insurance policies do not apply to this Coverage Document.

The purpose of this Coverage Document is to give full effect to the intent of the Members as expressed herein, not to impose on Members an interpretation of construction of coverage that reflects policy considerations or legal requirements applicable to a traditional insurer/insured relationship as expressed in case law applying Washington or other jurisdictions' insurance law.

This Coverage Document shall be construed, applied, and interpreted in accordance with the Pool's rules, regulations, and Bylaws.

Various provisions in this Coverage Document restrict coverage. Please read the entire document carefully to determine rights, duties, and what is and is not covered.

Throughout this Coverage Document the words "you" and "your" refer to the Member shown in the Coverage Summary. The words "we," "us," "our," "WSTIP," or "Pool" refer to the Washington State Transit Insurance Pool.

Words and phrases that appear in **bold** and *italics* have special meaning. Please refer to DEFINITIONS.

LAYERED COVERAGE

The coverage provided by the Pool's program is in layers. The first layer of coverage is funded by the Pool and the terms and conditions are as set forth in this Coverage Document. Above the Pool's layer of coverage are coverages provided by excess insurance carriers. Coverage for any loss above the Pool's layer shall be determined by the terms, conditions, and exceptions as set forth in the excess carriers' insurance policies.

DEFINITIONS

The following terms are defined as follows:

A. **Extra expense** – the excess cost to conduct the Member’s business operations over and above the costs the Member would have normally incurred during the period of time needed to repair or replace property as a result of covered loss or damage.

B. **Occurrence** – an event, including continuous or repeated exposure to substantially the same harmful condition, which causes physical loss or damage to property for which there is coverage from this Coverage Document. A single **occurrence** may be the cause of damage to more than one Pool Member or to more than one-Member asset.

Section 1.
COVERAGE PART

A. Structures and personal property

Unless otherwise excluded in Section 4, the Pool will pay for all risks of direct physical loss or damage, to all fixtures, structures, and personal property if it is:

1. Owned by the Member; or
2. Situated on the Member's owned property; or
3. For which the Member has an obligation to insure as evidenced by a written agreement; or
4. Owned by others but in the Member's care, custody, or control.

B. Business income and *extra expense*

The Pool will pay for the Member's loss of business income and ***extra expense*** caused by the direct physical loss or damage to the Member's fixtures and structures during the period required for the repair or replacement of such fixtures and structures.

C. Valuable papers and accounts receivable

The Pool will pay for the Member's loss of or expense to restore valuable papers and accounts receivable caused by the direct physical loss or damage to the Member's fixtures and structures.

D. Coverage extensions

The Pool will cover:

1. Loss and damage sustained to property which the Member acquires following inception of this Coverage Document;
2. Demolition and debris removal necessitated by a covered loss; and
3. A rental car rented by an employee with Member authorization.

Section 2.
LIMITS OF COVERAGE

A. Limits per *occurrence*

The limits of coverage as set forth in the declaration are per ***occurrence***. The Pool will not pay for any loss or damage above the limits of coverage. Where a single ***occurrence*** causes damage to more than one Pool Member, the Pool will not pay for any loss beyond the limits of coverage for a single ***occurrence***. Coverage limits shall be shared between Members sustaining damage on a pro rata basis. This pro-rata basis shall be the ratio of the total value of each Members loss divided by the total amount of all Member losses. If multiple ***occurrences*** happen during the policy period, the Pool will take all such ***occurrences*** into consideration in allocating limits to Members.

B. Sublimits

Notwithstanding anything herein to the contrary, if the Coverage Summary contains limits for specified types of losses, then such limits shall apply to the specified type of loss on an **occurrence** basis. The Pool will not pay for any loss or damage above the limits of coverage.

C. Deductible

The Pool will only pay for any loss or damage above the Member's deductible as set forth in the Coverage Summary. If the Pool does pay the complete cost of a loss, the Member is obligated to pay its deductible back to the Pool.

Section 3. CONDITIONS

A. Time of loss

The coverage the Pool provides applies only to damage or loss sustained during the coverage period.

B. Notice of loss

In the event the Member sustains any loss or damage for which there may be coverage, the Member must promptly provide notice thereof to the Pool.

C. Investigation

1. The Pool may investigate any loss or damage for which the Pool may provide coverage and the Member must cooperate with the Pool in such investigation. Such cooperation shall include allowing the Pool to inspect the Member's premises, providing documents and other information the Pool requests, and allowing the Pool to interview the Member, the Member's employees, or other representatives.
2. If the Pool requests, the Member must allow the Pool to take a sworn statement from the Member or the Member's representatives.

D. Avoidance of further losses

If the Member sustains loss or damage for which the Pool may provide coverage, the Member must take reasonable measures to protect the covered property from further loss or damage.

E. Basis of loss determination

In the event of loss or damage for which the Pool provides coverage, the Pool will pay the lesser of:

1. The fair market value of the lost or damaged property (if the owner of the property is not the Member, the Pool will pay the owner); or

2. The cost of repairing or replacing the lost or damaged property.

F. Loss adjustment of non-owned property

The Pool may adjust losses with the owner of the lost or damaged property if other than the Member. If the owner of the lost or damaged property sues the Member concerning the lost or damaged property, the Pool may elect to defend the Member at the Pool's expense against such suit.

G. Disputes concerning value

1. If the Member making the claim and the Executive Director cannot agree upon the amount of loss, either the Member or the Executive Director may request in writing that the matter be reviewed by the Executive Committee for a determination of amount of loss or damage. The request will be sent to the President, who will set the matter to be heard at an Executive Committee meeting within 30 calendar days from receipt of the request. This review is intended to be an informal process outside the Coverage Determination process prescribed in Article XII of the Bylaws.
2. If the Member making the claim and the Executive Director cannot agree upon coverage, either the Member or the Executive Director may request a coverage determination following the Coverage Determination process prescribed in Article XII of the Bylaws.

H. No abandonment

Members may not abandon any property to the Pool.

I. No assignment

Members may not assign or transfer this Coverage Document or any rights the Member may have hereunder without the Pool's consent.

J. Other insurance

If the Member has other coverage or insurance on property which describes such property with more specificity than this Coverage Document, then this coverage shall be excess of such other coverage or insurance. However, if such other coverage or insurance does not describe the property covered with greater specificity, then this coverage shall be primary.

K. Subrogation

If any Member for whom the Pool makes payment under this Coverage Document has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That Member must do everything necessary to secure the Pool's rights and must do nothing after loss to impair them, unless the Member, with the Pool's written consent, has waived its rights prior to loss. The Member acknowledges that the Pool or its designated agent may bring suit in the name of the Member.

When the Pool recovers funds on a subrogated claim where the Pool has paid funds on behalf of the Member, the recovery shall first go to reimburse the Pool with the balance to the Member.

L. Concealment

This Coverage Document shall be void if, before or after any loss, the Member or Member's representatives have willfully concealed or misrepresented any material fact or circumstance concerning this coverage.

Section 4. EXCLUSIONS

This Coverage Document does not apply to and there is no coverage for:

- A. Aircraft; or
- B. Watercraft; or
- C. Personally or Privately Owned Vehicles; or
- D. Land; or
- E. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, pollution, rust, corrosion, wet or dry rot, mold, fungus, mildew, yeast, or asbestos-related loss; or
- F. Physical loss or damage by normal settling, shrinkage, or expansion of buildings or foundations; or
- G. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity, or any dishonest act on the part of the Member or the Member's employees, agents, or others to whom the property may be entrusted; or
- H. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture, or flavor; or
- I. Loss caused directly or indirectly by war or hostile or warlike action by any government or sovereign power; or
- J. Loss from nuclear reaction or radiation or radioactive contamination; or
- K. Loss to bridges, roadways, walks, patios, or other paved surfaces; or

- L. Loss caused by earthquake and earthquake shock except for ensuing loss or damage by fire, explosion, or sprinkler leakage; or
- M. Loss caused by breakdown or derangement of machinery and/or steam boiler explosion unless physical loss or damage not otherwise excluded ensued and then only for such ensuing loss.

ENDORSEMENT No. 1

With respect to Yakima Transit only, Section 1 Coverage Part is deleted in its entirety and replaced with the following:

We provide coverage only for Auto Physical Damage to Yakima Transit vehicles. Auto Physical Damage is defined as direct physical loss or damage including, but not limited to, collision, vandalism, fire, and theft.



[Consultant Name]
[Final Payment Amount or Value]
[Contract Expiration Date]
[WSTIP Contract Number]

CONSULTANT SERVICES CONTRACT

THIS CONTRACT is made and entered into this [] day of [], 2026, by and between the WASHINGTON STATE TRANSIT INSURANCE POOL, a joint self-insurance pool formed in the State of Washington under RCW 48.62, commonly known as "WSTIP" and [Consultant Name], hereinafter referred to as the "Consultant."

Washington State Transit Insurance Pool
P.O. Box 11219
Olympia, WA 98508
(360) 786-1620
WSTIP Representative:
Contact Email:

Consultant Name
Consultant Address
Consultant Address
Phone
Contact Person:
Contact Email:

IN CONSIDERATION of the mutual promises, agreements, and covenants contained herein, it is hereby agreed, by and between the parties, as follows:

SECTION I Nature and Scope of Work

A. SCOPE OF WORK AND BUDGET

Consultant shall perform the work described in Exhibit A "Scope of Work" not to exceed the amount of \$ [redacted] without further written approval of WSTIP.

Consultant shall report to the WSTIP Executive Director, or the Executive Director's designee (referred to herein as the WSTIP Representative). The WSTIP Representative shall have sole authority for determining when all work has been satisfactorily performed by the Consultant. The Consultant shall perform all work necessary to prepare and provide the deliverables in a satisfactory manner. This obligation of the Consultant shall continue to exist even if sub-consultants are used to perform any portion of the work.

The Consultant shall prepare and present such information and written materials as may be reasonably required by WSTIP in order for WSTIP to adequately review Consultant's work, which shall not be considered "EXTRA WORK." Failure to provide such information and written materials upon the reasonable request of WSTIP shall be considered a material breach of this Contract. Consultant will not be entitled to compensation for any work for which consultant has not provided supporting documentation reasonably requested by WSTIP.

The Consultant shall make such minor changes, amendments, or revisions in the detail of the work as may be reasonably required by WSTIP. This item does not constitute extra work as defined in the section entitled "EXTRA WORK" of this Contract. When alternatives are being considered, WSTIP shall have the right of selection.

The Consultant shall check and verify all deliverables prior to submission to WSTIP. The Consultant shall conduct its business in a professional manner and confirm all services shall be performed to the applicable professional, legal, and ethical standards. The Consultant is solely responsible for the accuracy and completeness of the work, even if the work has been accepted by WSTIP.

B. EXTRA WORK

WSTIP may desire to have the Consultant perform work or render services in connection with, and in addition to, work which is the subject of this Contract but not specifically provided in this Contract. Such work will be considered as Extra Work and will be specified in a written amendment to Exhibit A, which will set forth the nature, terms, and scope thereof, and be signed by both Parties. Work to supplement that set forth in Exhibit A will proceed prior to execution of an amendment to Exhibit A if WSTIP's Representative provides the Consultant a written request to do so and a reasonable basis exists for WSTIP's request, such as efficiency, cost savings, or avoidance of liability in doing the extra work immediately. In the event, WSTIP and Consultant cannot agree on Extra Work terms, the Consultant must proceed with such work, reserving its rights to seek appropriate compensation following completion of the Extra Work.

SECTION II

Payment for Services & Expense Reimbursement

A. PAYMENT

WSTIP shall pay the Consultant for work completed and delivered in a satisfactory manner as required by this Contract under a time and materials basis, not to exceed the amount specified in Exhibit A unless approved by WSTIP in writing and signed by both Parties. The fees paid shall be the Consultant's full compensation for work performed or services rendered, including all labor, materials, supplies, equipment, incidentals necessary to complete the work, and applicable Washington State sales or use, applicable Business and Occupation tax, and all other taxes and fees typically the responsibility of a Consultant. The terms of payment shall be governed by the applicable provisions described in this Agreement. The Consultant shall be paid for work performed and authorized under this Contract at the hourly rates set forth in Exhibit A herein unless expressly modified by agreement of the parties in writing. The Consultant's hourly rates shall include all the Consultant's labor expenses of any kind whatsoever. Hourly rates shall also include all costs for overhead, taxes, and profits. The Consultant shall not be paid unless it has submitted to WSTIP a request for payment in the form of an invoice approximately once per month. WSTIP will review said invoice and pay amounts owing within 30 days of receipt of Consultant's invoice. WSTIP is not obligated to pay Consultant for any unauthorized work or for any work for which the charges are reasonably believed to be excessive or inaccurate.

B. TRAVEL

Consultant shall be reimbursed for actual transportation and subsistence costs that are necessary for the performance of this contract, and which are pre-approved by the WSTIP Representative in writing, and in no case will reimbursement exceed Washington State per diem rates. Any air travel by Consultant shall be limited to coach class or equivalent and approved by WSTIP in writing prior to travel. Travel by private auto shall be reimbursable at a rate not to exceed the Internal Revenue Service's mileage reimbursement rate in effect at the time of travel. Exceptions to travel reimbursement may only be approved by the WSTIP Executive Director in writing upon proof by Consultant to the Executive Director's satisfaction that an exception is warranted.

SECTION III
General Terms & Conditions

A. DURATION

This Contract is for one (1) five-year term commencing at contract execution to support the coverage placements starting January 1, 2027. The initial term will be through December 31, 2031 or until terminated by either party giving the other party at least thirty (30) days written notice of such termination. Notice shall be deemed to have been given when physically delivered to the recipient, or receipt of an email is acknowledged by the recipient. In the event of cancellation by either party, WSTIP may specify in writing the services that are to be reasonably performed by Consultant until the date of termination. However, Consultant shall perform no further services which are not previously approved or specified after Notice of Cancellation by WSTIP. On or before termination of this Contract, Consultant agrees to deliver to WSTIP upon request all records, notebooks, files, materials, reports, data, and other information pertaining to the services performed for WSTIP. In the event of termination, WSTIP shall pay Consultant for all approved contract costs incurred prior to termination. Consultant shall not be entitled to compensation for lost profits or expectations of profit, or any other amount under any theory of recovery not specified in this Contract due to early termination of this contract.

At WSTIP's discretion, this Contract may be extended for one additional five-year term through December 31, 2036 provided this Contract was originally approved by the WSTIP Executive Committee, and with any adjustment of compensation approved by the Executive Director in writing.

B. RELATIONSHIP OF THE PARTIES

The parties intend that an independent Contractor relationship will be created by this Agreement. WSTIP is interested primarily in the results to be achieved; how best to achieve these results will be determined by Consultant after consulting with WSTIP. No agent, employee, servant or representative of Consultant shall be deemed to be an employee, agent, servant or representative of WSTIP for any purpose, and the employees of Consultant are not entitled to any of the benefits that WSTIP provides to its employees. WSTIP shall not have any control over the manner, mode, or means by which Consultant, its agents, or employees, render the services required under this Contract, except as otherwise set forth. WSTIP shall have no authority in the selection, discharge, supervision or control of Consultant's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

C. ASSIGNMENT

Consultant shall not assign any interest in this Contract and shall not transfer any such interest to any third party, without WSTIP prior written consent.

D. DISCLOSURE

Consultant agrees to keep confidential any information obtained by Consultant, or its employees, or any person under its control in the course of the services performed under this Contract, and to refrain from publishing or revealing any information acquired by Consultant in the course of these services, without the written consent of WSTIP.

Documents related to Consultant's work under this Contract may be subject to disclosure under the Washington Public Records Act, subpoena, or other legal authority. In the event of a request pursuant to the Public Records Act

or other legal process for any such documents, Consultant will cooperate fully in the WSTIP's legal obligations. Further, Consultant will not destroy any documents related to Consultant's work without first obtaining written authority from the WSTIP Representative.

E. DISPUTES

In the event of any dispute, claim, question, or disagreement arising from or relating to this Contract, or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to both Parties. If the Parties do not reach such resolution within a period of 30 days from the date the dispute first arose then, upon written notice by a Party to the other, all disputes, claims, questions, or differences shall be referred to *non-binding* mediation by a neutral and independent mediator, selected in accordance with the rules of the American Arbitration Association (AAA) for selection of a mediator. The Parties will share equally in the cost of mediation services and bear their own costs of legal counsel. Mediation shall be a pre-requisite to the filing of any litigation arising out of this Contract.

This Contract shall be construed and enforced in accordance with the laws of the State of Washington, and the Parties agree that in any litigation, jurisdiction and venue shall be in the Superior Court in and for the County of Thurston, and this Contract will be interpreted in accordance with the laws of the State of Washington. The prevailing Party in any legal action shall be entitled to recovery of their attorney fees and costs.

F. NONWAIVER

The failure of WSTIP to insist upon or enforce strict performance of any provision of this contract shall not be construed as a waiver or relinquishment to any future enforcement of such contractual term.

G. AUDIT RIGHTS/PUBLIC RECORD RETENTION

WSTIP shall have the right to inspect and copy Consultant's records pertaining to this Contract upon written request without charge to WSTIP. Copies charges will be the responsibility of WSTIP. Failure to promptly provide said records shall constitute a default of this Contract and entitle WSTIP to reasonable attorney fees and costs to recover the records, plus require Consultant to indemnify WSTIP against any damages, statutory penalties, and fines for failure to promptly comply with WSTIP's request for inspection.

H. WORK PRODUCT

All "work product," which includes but is not limited to, all documentation, data, studies, surveys, drawings, maps, photographs, and any object or source code for any software developed pursuant to or in connection with this contract, as well as any copyrights, patents, trade secrets, trademarks, or other intellectual property developed for or in connection with this contract, shall be work for hire and shall be the property of WSTIP unless otherwise agreed to by the Parties in writing. Consultant does hereby transfer and assign any rights that it has in the Work Product, or that may arise out of or in connection with this contract, to WSTIP. WSTIP's rights to Consultant's work product shall survive termination of this contract.

I. INDEMNIFICATION - HOLD HARMLESS

The Contractor shall defend, indemnify and hold WSTIP, its board members, agents, officers, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising

out of, or in connection with, the performance of this Agreement, except for injuries and damages caused by the sole negligence of WSTIP.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and WSTIP, its board members, agents, officers, employees and volunteers, the Consultant's indemnification liability hereunder shall be only to the extent of the Consultant's negligence. ***It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.*** The provisions of this section shall survive the expiration or termination of this Agreement.

J. INSURANCE

Consultant shall obtain insurance of the types described below:

Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, as determined by WSTIP, the policy shall be endorsed to provide contractual liability coverage.

Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. WSTIP shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for WSTIP using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage acceptable to WSTIP.

Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

Errors and Omission Liability insurance appropriate to the Consultant's profession.

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, and a \$2,000,000 products-completed operations aggregate limit.
3. Errors and Omission Liability insurance with no less than \$10,000,000 per claim and \$10,000,000 aggregate limit.

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

- 1. The Consultant's insurance coverage shall be primary insurance as respect to WSTIP. Any Insurance, self-insurance, or re-insurance coverage maintained by WSTIP shall be excess of the Consultant's insurance and shall not contribute with it.
- 2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to WSTIP.

Other insurance requirements: All insurance coverage obtained by Consultant as required by this Contract shall be purchased from insurers with a current A.M. Best rating of not less than A: VII or as otherwise approved by WSTIP in writing. Consultant shall furnish WSTIP with original certificates and a copy of the amendatory endorsements, evidencing the insurance requirements have been met to WSTIP's satisfaction before commencement of the work. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the same insurance requirements as stated herein for the Consultant.

K. SEVERABILITY

The invalidity or unenforceability of any provision of this contract shall not affect the other provisions hereof, and this contract shall be construed, in all respects, as if such invalid or unenforceable provisions were omitted.

L. HEADINGS

The headings used in sections of this contract are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections of this contract.

M. ENTIRE CONTRACT

Consultant and WSTIP understand and agree that this document constitutes the entire understanding between the parties regarding the work or services described herein, and that this contract supersedes all other prior agreements and understandings, whether oral or written. This Contract shall not be modified or amended, except in writing, signed by both parties. Consultant had a reasonable opportunity to review this Contract and consult with legal counsel prior to signing.

N. ELECTRONIC SIGNATURE AUTHORIZED

The parties agree that all required signatures with respect to this Contract may be electronic under RCW 19.360.020.

**WASHINGTON STATE TRANSIT
INSURANCE POOL**

[Consultant Name]

By: _____
Matthew Branson, Executive Director

By: _____
[Name and title]

[Consultant Name]
[Final Payment Amount or Value]
[Contract Expiration Date]

Date: _____

Date: _____

EXHIBIT "A"
SCOPE OF WORK

Detailed Description:

[Fill in]

Compensation/Not to Exceed Amount:

Compensation will be based on current Consultant's billing rates plus direct expenses and will be billed on time and materials only, not to exceed initial allowance of \$[]. Rates for Consultant shall be as follows:

[Fill in]

Economic Price Adjustments:

In the event WSTIP extends the Contract an additional term, the Contractor will provide pricing for the new term. Any additional Contract price decreases and increases, over and above the contracted annual fee or the new term pricing will be calculated using the PPI with the following parameters to obtain the Series ID PCU52421-52421:

- INDUSTRY: Insurance agencies & brokerages
- PRODUCT: Insurance agencies & brokerages

The increase allowed will be the difference between the current Contract year and the previous year. Rates will not be adjusted more than 10% above or below the original Contracted amount.

WSTIP, in its sole discretion, will decide whether to approve or deny any adjustment request within thirty (30) days of receipt of request. If approved, a rate increase shall take effect thirty (30) days after approval.

FINANCIAL STATEMENTS

Year Ended December 31, 2025



Management’s Discussion and Analysis (MD&A)

This section of the Washington State Transit Insurance Pool’s (WSTIP or the Pool) annual financial report provides a narrative overview and analysis of WSTIP’s financial performance for the fiscal years ended December 31, 2025 and 2024. To obtain a complete understanding of WSTIP’s financial condition, this document should be read in conjunction with the financial statements, the accompanying notes, and the required supplementary information/schedules.

WSTIP is an unincorporated, not-for-profit, local government risk sharing pool dedicated to supporting its transit agency Members in the State of Washington. WSTIP provides its Members general liability, automotive liability, and property damage coverage. The Pool’s general objective is to formulate, develop and administer a program of insurance at the most reasonable cost for the broadest coverage. For more information about the Pool see Note 1.A.

Financial Highlights

- The financial condition of WSTIP is best measured by changes in net position. Growth in net position supports the Members goals of rate stability and helps strengthen the Pool’s ability to withstand and fund financial adversity. WSTIP budgeted 2025 projecting the Pool would add \$4.7M to net position. Net position increased by \$9.1M or 17% in 2025 as compared to 2024.
- Operating Income was \$5.1M with these contributing factors noted:
 - Total operating revenues were \$26.9M, a \$4.1M or 18% increase as compared to 2024.
 - Total claims and loss adjustments, net of adjustments for reserves from prior years, was \$7.8M, a \$5.3M or -40% decrease as compared to 2024.
 - Total insurance services were \$9.3M, a \$2.4M or 35% increase as compared to 2024.
 - Total general & administrative was \$4.8M, a \$959K or 25% increase as compared to 2024
- Other income was \$4.0M, a \$113K or 3% decrease as compared to 2024. The decrease is primarily attributed to the decrease in GEM equity related to the 2024 year received in 2025.
- For 2025 and 2024, WSTIP met the solvency standards established by Washington Administrative Code (WAC) 200-100-03001.

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Discussion of the basic financial statements

The financial statements provide information about WSTIP's use of accounting methods similar to those used by private sector companies. Under this method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

The Statement of Net Position presents information on all WSTIP assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of WSTIP is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how WSTIP's net position changed during the current year. All changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., claims losses, interest income on investments, compensated absences).

The Statement of Cash Flows presents information on WSTIP's cash receipts, cash payments, and net changes in cash and cash equivalents for the year. Generally accepted accounting principles require that cash flows be classified as follows:

- Cash flows from operating activities.
- Cash flows from noncapital financing activities (no such activity for WSTIP).
- Cash flows from capital and related financing activities (no financing component for WSTIP).
- Cash flows from investing activities.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided within the financial statements. While many aspects of WSTIP's financial statements presentation are similar to other governmental units, there are some items that are specific to risk pooling. We have prepared these notes to the financial statements in a manner that helps to inform the reader about WSTIP's claims management and the components of unpaid claims liabilities.

The Required Supplementary Information (RSI) contains other information the Governmental Accounting Standards Board (GASB) deems necessary. WSTIP's RSI contains additional information related to:

- Claims Development
- Reconciliation of Claims Liabilities by Contract Type
- Accounting and Financial Reporting for Pensions (GASB 68)
- Defined Benefit Other Postemployment Benefit (OPEB) Plans (GASB 75)
- Department of Enterprise Services (DES) Schedule of Expenses
- List of Participating Members

Request for Information

This financial report is designed to provide a general overview of WSTIP's finances. Questions concerning any of the information presented in this management discussion and analysis, the WSTIP financial statements or requests for additional information should be addressed to:

Washington State Transit Insurance Pool
Attn: Matthew Branson, Executive Director
PO Box 11219
Olympia, WA 98508

Condensed Comparative Statement of Net Position

	As of December 31,		
	2025	2024	2023
ASSETS			
Current Assets	\$ 49,656,479	\$ 44,136,561	\$ 54,996,219
Capital Assets, Net	1,288,742	1,671,931	1,866,515
Noncurrent Assets	42,666,133	40,271,726	18,815,831
TOTAL ASSETS	\$ 93,611,354	\$ 86,080,218	\$ 75,678,566
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	456,212	421,419	310,832
Deferred Outflows - OPEB	158	1,703	1,597
TOTAL DEFERRED OUTFLOWS	\$ 456,370	\$ 423,122	\$ 312,429
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 94,067,724	\$ 86,503,340	\$ 75,990,995
LIABILITIES			
Current Liabilities	\$ 10,844,959	\$ 10,688,239	\$ 8,561,350
Noncurrent Liabilities	20,129,191	21,824,239	16,510,856
TOTAL LIABILITIES	\$ 30,974,150	\$ 32,512,478	\$ 25,072,205
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	109,869	133,676	217,750
TOTAL LIABILITIES & DEFERRED INFLOWS	\$ 31,084,019	\$ 32,646,154	\$ 25,289,955
NET POSITION			
Investment in Capital Assets	1,288,742	1,671,931	2,043,766
Restricted Pension Asset	359,560	307,735	308,074
Unrestricted Net Position	61,335,404	51,877,520	48,349,199
TOTAL NET POSITION	\$ 62,983,706	\$ 53,857,186	\$ 50,701,039
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$ 94,067,724	\$ 86,503,340	\$ 75,990,995

Financial Statement Analysis

Net Position

WSTIP's total net position reflects a \$1.3M investment in capital assets such as land and as well as capital net of accumulated depreciation and amortization such as building, building improvements, furnishings and equipment and right-to-use subscriptions. WSTIP uses these capital assets as part of normal operations of the Pool. Therefore, this portion of the net position balance is not available for future spending. Net position includes a \$360K restricted pension asset which is also not available for future spending and a \$154K unrestricted building reserve that is a designated (not legally restricted) reserve. Indeed, all unrestricted net position is available to support future obligations of the Pool.

2025 net position increased by \$9.1M or 17% as compared to 2024 primarily due to excess contributions from Members, favorable claims development and interest income net of fair value adjustments.

2024 net position increased by \$3.2M or 6% as compared to 2023 primarily due to excess contributions from Members, favorable claims development and interest income net of fair value adjustments.

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position

	2025	2024	2023
OPERATING REVENUES			
Member Assessments (All Types)	\$ 26,849,118	\$ 22,453,312	\$ 19,734,117
Other Operating Revenues	140,607	345,949	68,448
TOTAL OPERATING REVENUES	\$ 26,989,725	\$ 22,799,261	\$ 19,802,565
OPERATING EXPENSES			
Claims & Loss Adjustments	7,793,928	13,075,591	7,477,556
Insurance Services	9,317,518	6,887,432	5,003,743
General & Administrative	4,750,403	3,791,433	3,996,693
TOTAL OPERATING EXPENSES	\$ 21,861,848	\$ 23,754,456	\$ 16,477,993
TOTAL OPERATING INCOME (LOSS)	\$ 5,127,877	\$ (955,195)	\$ 3,324,572
OTHER INCOME (EXPENSE)			
Other Income (expense)	\$ 3,998,643	\$ 4,111,342	\$ 3,215,802
TOTAL OTHER INCOME (EXPENSE)	\$ 3,998,643	\$ 4,111,342	\$ 3,215,802
TOTAL CHANGE IN NET POSITION	\$ 9,126,520	\$ 3,156,147	\$ 6,540,374

Financial Statement Analysis

Operating Revenues

WSTIP's operating revenues are predominately Member Assessments, Other Insurance Products and Performance Period Assessment Audits which we summarize as Member Assessments (All Types).

Member Assessments are based upon a formula which includes underwriting elements of miles traveled, employee counts, vehicle values and property values as well as a Member's historic claims experience. The assessments include amounts for purchased insurance including excess/reinsurance premiums and Pool operating costs. Included in the 2025 assessment was \$4.7M for the purpose of increasing net position to withstand financial adversity inherit to pooling risk.

Other Insurance Products includes the revenue associated with underinsured/uninsured motorists (UIM), pollution, underground storage tanks, crime & fidelity, directors & officers, driver record monitoring, excess cyber, excess auto physical damage (APD), and terrorism and sabotage insurance including loss of rent.

Performance Period Assessment Audits (PPAA) evaluate a Member's underwriting elements following the completion of a fiscal year as a comparison to previously submitted estimates. These assessment audits are performed annually to ensure cost equity of participation in the Pool. As a group, in 2025 WSTIP Members travelled about 2.1% more miles than estimated and ended the year with 2% fewer employees than estimated. As a result, the 2025 financial statements WSTIP recorded a Due from 16 Members for \$673K and a Due to 9 Members for \$132K, yielding a net PPAA of \$541K (a net income to Members) which is a -2.1% change from the original assessment. The 2024 PPAA was \$129K (refund to Members) which was a -.06% change from the original assessment. The 2023 PPAA was \$6K (an additional assessment to Members) which was a .04% change from the original assessment.

Other Operating Revenues

WSTIP's other operating revenues are training revenues, rental/lease income, and rebates derived from WSTIP's utilization of a purchasing card program. Year-to-year comparisons can be challenging. In 2024, two Members returned grant funding that WSTIP awarded in 2023. No such refunds were received in 2025.

Operating Expenses

WSTIP’s operating expenses are predominantly related to claims & loss adjustments, insurance services and general & administrative expenses.

Claims & Loss Adjustments is comprised of the loss fund as determined by our actuary based on various rating units to determine Members exposure (or potential) for loss.

In 2025, claims and loss adjustments were \$7.8M, a \$5.3M or 40% decrease as compared to 2024.

- The liability and property claim loss fund (2025 loss year) was estimated to be \$10.9M. Losses and loss trends for 2025 estimates were more favorable and our Actuary decreased the reserve for the 2025 loss year by \$207k to a revised estimate of \$10.7M.
- Claims development for the years leading up to and including 2024 have been favorable compared to estimates. As a result, our Actuary reduced the reserves for those years by \$3.0M. Our Actuary also increased ULAE by \$50K in response to increased claims reserves.

Insurance Services includes excess/reinsurance premiums for liability and property coverage. This also includes other insurance products: Transit Rider Medical Expense Protection (TRMEP) and Public Rideshare Driver Medical Expense Protection (PRDMEP), pollution, underground storage tanks (UST), crime & fidelity, directors & officers, driver record monitoring, excess cyber, excess auto physical damage (APD), and terrorism and sabotage insurance including loss of rent.

In 2025, insurance services were \$9.3M, a \$2.4M or 35% increase as compared to 2024.

- The commercial insurance market, which supplements Pool coverage, continues to push higher premiums to its policy holders. The high-risk liability claims from 2023 continued to impact the Pool during the 2025 liability renewal as reinsurers revised loss projections for the Pool. This resulted in a premium increase of \$2.3M or 76% when compared to 2024.
- Property renewal increases were predominately due to changes in Total Insured Values (TIV). Property TIV increased by \$72M or 6% and vehicle TIV increased by \$53M or 5% resulting in a premium increase of \$138K or 5% when compared to 2024.
- Other insurance products costs changed based on Members participation in TRMEP, PDRMEP, pollution, UST, crime & fidelity, directors & officers, driver record monitoring, excess cyber, excess auto physical damage (APD), and terrorism and sabotage insurance. These changes resulted in premium decrease of \$95K or 11% when compared to 2024.

General & Administrative is comprised of payroll & benefits, contracted services, risk & loss prevention, training & education, and other administrative activities.

In 2025, general & administrative was \$4.8M, a \$959K or 25% decrease as compared to 2024 primarily due to budget management and 2023 had a few projects that are only completed on a three-year basis.

The WSTIP Board budgets, monitors, and evaluates the Pool’s financial performance utilizing financial ratios. Most of the trends are in line with their respective targets. A hard market and pool loss trends are resulting in variances in insurance services. The Board continues to monitor that variance.

Expense Classification ÷ Operating Revenue	Target Ratios	2025		2024		2023	
		Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
Claims & Loss Adjustments	≤ 50%	41%	29%	39%	57%	44%	38%
Insurance Services	≤ 25%	35%	35%	29%	30%	23%	25%
General & Administrative	≤ 20%	18%	18%	20%	17%	19%	20%
Total Operating Expenses	≤ 95%	94%	82%	88%	104%	86%	83%

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Other Income (Expenses)

Includes interest income, changes in the fair value of investments, changes in equity in GEM and any other revenue and expense not meeting the operational revenue or expense criteria.

In 2025, other income was \$4M, a \$113K or 3% decrease as compared to 2024. The increase is, in part, related to investment income and unrealized gains on fair value adjustments which were partially offset by a decrease in GEM equity related to the 2024 year received in 2025.

Financial Outlook

WSTIP continues to show growth in net position which supports the Members' goal of rate stability and helps strengthen the Pool's ability to withstand and fund financial adversity. The Pool manages about 300 open claims annually and the greatest risk to Pool resources are increased frequency and severity of claims. Other factors that could impact the future of the Pool include the insurance market (pricing, availability of insurers), inflation, the investment market and potential new legislation – particularly legislation about pre-judgement interest. WSTIP works closely with external partners: Alliant Insurance Services (Broker), PricewaterhouseCoopers (Actuary), Thurston County Treasurer (Investments & Treasury), and the Office of the State Treasurer (Investments) to stay informed and possibly mitigate the challenges in these risk areas. With current reserves and a conservative approach in uncertain economic conditions, WSTIP has a positive financial outlook for 2026 and beyond.

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
FINANCIAL STATEMENTS

COMPARATIVE STATEMENT OF NET POSITION

	As of December 31,	
	2025	2024
ASSETS		
Current Assets		
Deposits and Investments	\$ 41,445,956	\$ 36,049,430
Accounts Receivable	11,248	58,244
Due from Members	241,709	460,532
Interest Receivable	46,325	45,808
Prepaid Insurance	7,808,711	7,438,337
Prepaid Expense	102,530	84,210
Total Current Assets	<u>49,656,479</u>	<u>44,136,561</u>
Noncurrent Assets		
Capital Assets, Net	1,288,742	1,671,931
Long-Term Investments	38,770,536	36,757,627
Due from Members	673,749	241,709
Equity in GEM	2,862,288	2,964,655
Net Pension Asset	359,560	307,735
Total Noncurrent Assets	<u>43,954,875</u>	<u>41,943,657</u>
TOTAL ASSETS	<u>\$ 93,611,354</u>	<u>\$ 86,080,218</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension	456,212	421,419
Deferred Outflows - OPEB	158	1,703
TOTAL DEFERRED OUTFLOWS	<u>\$ 456,370</u>	<u>\$ 423,122</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>\$ 94,067,724</u>	<u>\$ 86,503,340</u>

The accompanying notes are an integral part of these financial statements.

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
FINANCIAL STATEMENTS

COMPARATIVE STATEMENT OF NET POSITION

	As of December 31,	
	2025	2024
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 604,981	\$ 250,860
Compensated Absences	198,921	203,458
Due to Members	370,845	454,463
Subscription Liability	334,930	341,483
Unearned Revenues	253,966	404,568
Unpaid Claims Liability	9,081,000	9,030,000
Total OPEB Liability	316	3,407
Total Current Liabilities	10,844,959	10,688,239
Noncurrent Liabilities		
Compensated Absences	37,707	33,559
Due to Members	132,365	370,845
Subscription Liability	637,253	972,184
Unpaid Claims Liability - Reserves	7,962,938	10,013,824
Unpaid Claims Liability - IBNR	9,886,626	8,873,588
Unpaid Claims Liability - ULAE	1,150,000	1,100,000
Total OPEB Liability	236,506	332,324
Net Pension Liability	85,796	127,915
Total Long-Term Liabilities	20,129,191	21,824,239
TOTAL LIABILITIES	\$ 30,974,150	\$ 32,512,478
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pension	109,869	133,676
TOTAL LIABILITIES & DEFERRED INFLOWS	\$ 31,084,019	\$ 32,646,154
NET POSITION		
Investment in Capital Assets	1,288,742	1,671,931
Restricted Pension Asset	359,560	307,735
Unrestricted Net Position	61,335,404	51,877,520
TOTAL NET POSITION	\$ 62,983,706	\$ 53,857,186
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$ 94,067,724	\$ 86,503,340

The accompanying notes are an integral part of these financial statements.

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
FINANCIAL STATEMENTS

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the years ended December 31,	
	2025	2024
OPERATING REVENUES		
Member Assessments	\$ 25,161,017	\$ 21,478,249
Other Insurance Products	1,146,717	1,104,199
Performance Period Assessment Audit (PPAA)	541,384	(129,136)
Other Operating Revenues	140,607	345,949
TOTAL OPERATING REVENUES	\$ 26,989,725	\$ 22,799,261
OPERATING EXPENSES		
Claims & Loss Adjustments	7,793,928	13,075,591
Purchased Insurance - Liability	5,543,374	3,156,877
Purchased Insurance - Property	2,984,765	2,845,914
Other Insurance Products	789,378	884,642
Payroll & Benefits	2,043,593	2,003,574
Contracted Services	575,197	478,148
Risk & Loss Prevention	846,601	216,187
Training & Education	162,086	184,656
Technical & Subscription Services	187,701	98,915
General & Administrative	552,035	486,903
Depreciation & Amortization	383,189	323,049
TOTAL OPERATING EXPENSES	\$ 21,861,848	\$ 23,754,456
TOTAL OPERATING INCOME (LOSS)	\$ 5,127,877	\$ (955,195)
OTHER INCOME (EXPENSE)		
Interest Income	\$ 3,591,893	\$ 3,428,339
Unrealized Gain on Investments	519,707	130,156
Change in Equity in GEM	(102,367)	552,846
Interest Expense	(10,590)	0
TOTAL OTHER INCOME (EXPENSE)	\$ 3,998,643	\$ 4,111,342
TOTAL CHANGE IN NET POSITION	\$ 9,126,520	\$ 3,156,147
NET POSITION, BEGINNING OF THE YEAR	\$ 53,857,186	\$ 50,701,039
NET POSITION, ENDING OF THE YEAR	\$ 62,983,706	\$ 53,857,186

COMPARATIVE STATEMENT OF CASH FLOWS

The accompanying notes are an integral part of these financial statements.

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
FINANCIAL STATEMENTS

	For the years ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Member assessments	\$ 26,172,352	\$ 21,869,540
Cash from Members and others	251,520	2,643,368
Cash paid for claims	(8,730,776)	(5,105,630)
Cash paid for excess/reinsurance	(3,551,327)	(9,266,450)
Cash paid for employee wages and benefits	(2,337,272)	(2,072,160)
Cash paid for contracted services	(6,954,804)	(504,364)
Cash paid for general and administrative expenses	(1,199,783)	(1,192,188)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,649,910	\$ 6,372,116
CASH FLOWS FROM CAPITAL ACTIVITIES		
Cash paid to acquire or improve capital assets	-	(13,745)
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	\$ -	\$ (13,745)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for long-term investments	\$ -	\$ (20,000,000)
Cash from interest on investments	1,746,617	2,089,730
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 1,746,617	\$ (17,910,270)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 5,396,527	\$ (11,551,899)
BALANCES - BEGINNING OF THE YEAR	\$ 36,049,430	\$ 47,601,328
BALANCES - ENDING OF THE YEAR	\$ 41,445,956	\$ 36,049,430
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	\$ 5,127,877	\$ (955,195)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation & Amortization	383,189	323,049
Change in assets and liabilities		
Accounts Receivable	46,996	2,305,735
Interest Receivable	(517)	39,627
Prepaid Insurance	(370,374)	(2,693,099)
Prepaid Expense	(18,320)	19,324
Due from Members	(213,217)	(154,859)
Net Pension Asset	(51,825)	70,655
Deferred Outflows - Pension	(34,793)	(110,587)
Deferred Outflows - OPEB	1,545	(106)
Accounts Payable	354,121	70,138
Compensated Absences	(389)	22,701
Unearned Revenues	(150,602)	400,773
Due to Members	(322,098)	(831,371)
Unpaid Claims Liability	(936,848)	7,969,961
Total OPEB Liability	(98,909)	14,927
Net Pension Liability	(42,119)	(35,483)
Deferred Inflows - Pension	(23,807)	(84,074)
NET CASH USED IN OPERATING ACTIVITIES	\$ 3,649,910	\$ 6,372,116

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of WSTIP (or the Pool) have been prepared in conformity with United States generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

- A. Reporting Entity** – WSTIP is an unincorporated, not-for-profit, local government risk sharing pool. WSTIP was formed January 1, 1989, via Interlocal Agreement pursuant to RCW 39.34, and has the authority to self-insure pursuant to RCW 48.62 and is governed to conform with WAC 200-100.

WSTIP was established to provide its Members general liability, automotive liability, and property damage coverage. The Pool's general objective is to formulate, develop and administer a program of insurance at the most reasonable cost for the broadest coverage. WSTIP transfers its risk by buying excess/reinsurance over WSTIP's self-insured retention.

Transit agencies joining the Pool must remain Members for a minimum of 36 months; a Member may withdraw by providing written notice six months prior to the end of the Pool's fiscal year. Any Member that withdraws will not be allowed to rejoin WSTIP for a period of 36 months. Member assessments are adjusted on an annual basis to incorporate actuarial projections and operational needs as approved by the Board of Directors. Since WSTIP is a cooperative program, there is joint liability among the Members. In the event of withdrawal or termination, a Member has no further obligations to the Pool provided the Member has paid all of its pending contributions and assessments. A withdrawing or terminated Member is not entitled to any portion of the Pool's assets or equity. If the Pool's assets were depleted, Members would be responsible for outstanding liabilities of WSTIP. There were no changes in Pool Members in 2025. See SOI Note 2.

WSTIP is governed by a Board of Directors composed of one voting Member Representative from each Member. Each Member has one vote on matters submitted to the Board. The Pool is governed and controlled by an elected Executive Committee in all respects except for those matters reserved by the Board. The Board employs an Executive Director, who is the Chief Executive Officer of the Pool. Through the Executive Director, the Pool's staff carries out the mission and directives of the Board of Directors and the Executive Committee.

- B. Budgetary Information, Spending Controls** – An annual budget is prepared by the Executive Director on the accrual basis of accounting and is presented to the Board of Directors for adoption prior to January 1 of the following year. The budget constitutes the authority for expenditures of the Pool. The Executive Director is authorized to make internal adjustments to the budget; however, any revisions that alter that total expenditure authority, or that affect the number of authorized employee positions or the salary and wage schedule must be approved by the Board of Directors. The budget also serves as a planning and control document. The Board of Directors are presented with budget to actual comparative reports and can inquire about operational performance at each quarterly Board meeting.
- C. Measurement Focus, Basis of Accounting** – The Pool's accounting records are maintained in accordance with methods prescribed by the State Auditor's Office under the authority of RCW 43.09. Statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows.

- D. Use of Estimates and Rounding** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and certain disclosures. Actual results could differ from the estimated amounts. Financial figures are reported in whole numbers and totals may differ +/- \$1 due to rounding.
- E. Exemption from Federal and State Taxes** – Pursuant to IRS Revenue Ruling 90-74, income of Municipal Risk Pools is excluded from gross income under IRC Section 115(1). RCW 48.62 exempts Pools from state insurance premium taxes and RCW 82.04 exempts Pools from B&O taxes.
- F. FICA Replacement Plan** – WSTIP employees participate in a 401(a) Qualified Defined Contribution Retirement Plan in lieu of Social Security. Contribution rates were established by the WSTIP Board as a percentage of the employee's gross wage with the Pool contribution set at 6.20% and the employee contribution set at 9.20%. The Plan is administered by MissionSquare Retirement and employees immediately vest in all employer and employee contributions. Investment of both the employer and employee contributions are at the direction of the employee. WSTIP remitted all required contributions to the Plan. The employer portion is included herein as part of payroll expense.
- G. Assets, Liabilities, and Net Position**
- G.1. Deposits and Investments** – It is WSTIP policy to invest all temporary cash surpluses. For the statement of cash flows, WSTIP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits and investments are reported in accordance with GASB 72 and GASB 79. See Note 2.
- G.2. Receivables** – Consists of customer account receivables and interest receivables.
- Accounts receivables consist of amounts owed based on invoices for services rendered, often in connection with contractual relationships and/or Interlocal Agreement. The amounts are deemed collectible and no allowance has been established for uncollectible accounts.
- Interest receivables represent interest earned on deposit and investment accounts where revenue has been recognized but interest payments have not been received.
- G.3. Prepayments** – Consists of amounts paid to secure the use of assets or the receipt of services, software licensing and insurance, with an initial cost of more than \$5,000 or an estimated useful life in excess of one year and do not meet the criteria for a capital asset. Such assets are recorded at cost and amortized over the estimated economic useful life of the asset.
- G.4. Capital Assets** – Capital assets are defined by WSTIP as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and reported net of accumulated depreciation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs that do not materially add to the value or extend the life of the asset are expensed. Depreciation is recorded in the year after purchase using the straight-line method over the following estimated useful lives. Buildings: 39 years; Building Improvements: 15 – 39 years; Furnishings & Equipment: 5 – 15 years. See Note 3.

Capital Assets Continued – A right-to-use subscription with total payments for fixed costs over the subscription term greater than or equal to \$50,000 will be capitalized as an intangible asset. Subscriptions that do not meet these criteria are recognized as current period expenses. Right-to-use subscriptions are recorded at net present value of subscriptions and reported net of accumulated amortization using the straight-line method of amortization over the subscription term. See Note 4.

- G.5. Due from Members** – On an annual basis the Pool conducts a PPAA of Member underwriting to evaluate a Member's underwriting actual results to previously submitted underwriting estimates. See H.1. Based on the PPAA, a Member would either owe an additional assessment (Due from Members) or receive a refund to offset a future assessment (Due to Members). See G.13.
- G.6. Equity in Government Entities Mutual** – WSTIP is a founding member of Government Entities Mutual, Inc. (GEM), a captive insurance program formed on January 1, 2003. A captive is an insurance company owned and operated by its insureds. The intent of membership in GEM is to access the available excess/reinsurance market through GEM. WSTIP's initial 2003 investment was \$500K and in 2005 WSTIP made an additional \$250K investment. WSTIP accounts for GEM activity using the equity method of accounting. Changes in equity are the result of profit sharing available to all GEM Members. See Note 12. For more details about GEM or GEM's annual report visit www.gemre.com.
- G.7. Deferred Outflows/Inflows of Resources Related to Pensions** – See Note 7.
- G.8. Deferred Outflows/Inflows of Resources Related to OPEB** – See Note 6.
- G.9. Accounts Payable** – Consists of amounts owed based on invoices for goods or services received and are paid in accordance with WSTIP payment terms of Net 30 unless otherwise obligated by agreement or contract.
- G.10. Compensated Absences** – Consists of leave for which employees have earned and are expected to be paid, either through paid time off or cash payment upon termination of employment. The maximum accrual that can be carried into the next fiscal year is 480 hours. Paid time off balances vary throughout the year; as such, the financial value is measured as of the end of the fiscal year using the leave balance times an employee's pay rate at fiscal year-end; it also includes the cost of salary related payments (e.g. pension, 401(a), Medicare, etc.) using the current rates at fiscal year-end. Employees can sell back a portion of their accrued leave ensuring they maintain a minimum of 40 hours of leave after the sale. Changes in compensated absences are reported as a net amount.
- G.11. Subscription Liability** – GASB 96 defines Subscription Based Information Technology Arrangements (SBITA) as a contract that conveys control of the right to use another party's information technology software for a period of time in an exchange or exchange-like transaction. WSTIP records a right-to-use subscription asset and corresponding subscription liability where total payments for fixed costs (excluding tech support and sales taxes) over the subscription term are greater than or equal to \$50,000. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term and is recorded at the commencement of the subscription term, which is when the subscription asset is placed into service. See Note 4.
- G.12. Unearned Revenues** – Consists of Member assessments received prior to the year for which it was due; such payments would be reclassified as revenue in the year when the Member receives the underlying coverage (benefit). Other examples include payments received in advance for training classes which are reclassified as revenue after training is provided or cancellation terms are applied.

G.13. Due to Members – On an annual basis the Pool conducts a PPAA of Member underwriting to evaluate a Member’s underwriting performance actual results to previously submitted underwriting estimates. See H.1. Based on the PPAA, a Member would either receive a credit to offset a future assessment (Due to Members) or owe an additional assessment (Due from Members). See G.5.

G.14. Claims Reserves – WSTIP’s claim reserves reflect the estimated ultimate cost of claims, including future claim expenses for claims that have been reported but not settled and claims that have been incurred but not reported. WSTIP utilizes an independent actuary, PricewaterhouseCoopers, to review claims reserves. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are appropriate modifiers of experience. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability.

WSTIP uses excess/reinsurance agreements to reduce its exposure to large losses on all types of insured events. Excess/reinsurance insurance permits recovery of a portion of losses from the carrier, although it does not discharge WSTIP’s primary responsibility for the reinsured risk.

In accordance with GASB 92 paragraph 11, estimated amounts of claim recoveries such as salvage, subrogation, deductible, and excess/reinsurance on unpaid claims are deducted from the estimated ultimate cost. Claims reserves are reported net of estimated claims recoveries.

Unpaid Claims Liability reserve components include the following:

Open Claims Reserves represent the Pool’s estimate of the cost of claims that have occurred (are known to the Pool) but have not yet been settled (closed);

Incurred But Not Reported (IBNR) includes the actuary’s assessment of the development of open claim costs and claims that have occurred but have not yet been reported to the Pool;

Unallocated Loss Adjustment Expenses (ULAE) represent the estimated cost to be incurred with respect to the settlement of claims in process and claims incurred but not reported.

Claims paid and changes in estimated unpaid claims liabilities and costs, i.e. changes in claim reserves, are charged or credited to expense in the periods in which they are incurred. For more details see Note 5, RSI Note 1, and RSI Note 2.

G.15. Other Postemployment Benefit (OPEB) Liability – WSTIP is a member of the Washington State Public Employees Benefit Board (PEBB) which allows member employees who retire the option to continue medical coverage on a self-pay basis. The continuity of coverage creates an implicit subsidy, the cost of which creates an OPEB Liability for plan participants like WSTIP. See Note 6.

G.16. Net Pension Liabilities – For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans’ fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and

payable in accordance with the benefit terms. Investments are reported at fair value. Restricted net position related to the net pension asset is equal to the net pension asset. See Note 7.

G.17. Net Position – is reported in the following categories:

Investment in Capital Assets which represents WSTIP's total investments in land, buildings, building improvements, furnishing and equipment, net of accumulated depreciation, and right-to-use subscriptions, net of accumulated amortization.

Restricted Pension Asset represent and equals the net pension asset. See Note 7.

Unrestricted Net Position is available to the Pool for obligations to its Members and creditors. Some of these funds are designated (as noted below) but are available for obligations of the Pool.

Unrestricted Building Reserve is funded with \$25,000 annually to keep the WSTIP building in marketable condition. The reserve as of December 31, 2025, was \$154,166.

Unrestricted Technology Grant Reserve allows for up to \$500,000 in unspent technology grant funding to be carried forward and awarded in future years. The reserve as of December 31, 2025, was \$9,445.

H. Revenues, Expenses and Changes in Net Position

H.1. Operating Revenues – Result from providing services and producing and delivering goods in connection with the Pools principal ongoing operations which are predominately related to Member Assessments, Other Insurance Products and Performance Period Assessment Audits which we summarize as Member Assessments (All Types).

Member Assessments are based upon a formula which includes underwriting elements of miles traveled, employee counts, vehicle values and property values as well as a Members historic claims experience. The assessments include amounts for purchased insurance including reinsurance / excess premiums and Pool operating costs.

Other Insurance Products includes the revenue associated with Transit Rider Medical Expense Protection (TRMEP) and Public Rideshare Driver Medical Expense Protection (PRDMEP), pollution, underground storage tanks, crime & fidelity, directors & officers, driver record monitoring, excess cyber, excess e-crime, excess auto physical damage (APD), and terrorism and sabotage insurance including loss of rent.

Performance Period Assessment Audits (PPAA) evaluate a Member's underwriting performing actual results to previously submitted underwriting estimates relative to miles, employee head counts, TRMEP and PRDMEP miles and individuals monitored in WSTIP's driver record monitoring program. These assessment audits are performed annually to ensure cost equity of participation in the Pool and a Member would either receive a refund to offset a future assessment (Due to Members) or owe an additional assessment (Due from Members) based on the PPAA.

H.2. Other Operating Revenues – are training revenues, rental/lease income, and rebates derived from WSTIP's utilization of a purchasing card program.

H.3. Operating Expenses – Principal operating expenses include claim payments and the change in claim reserves, purchased insurance including excess/reinsurance premiums, the cost of contracted services as well as other general operational and administrative expenses.

H.4. Non-Operating Revenues (Expenses) – Includes interest income, changes in the fair value of investments, changes in equity in GEM and any other revenue and expense not meeting the operational revenue or expense criteria.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are classified by type as of December 31, 2025 and 2024 as follows:

Type	Entity	2025	2024
Investment Pool	Thurston County Investment Pool - TCIP	2,271,552	8,231,176
Investment Pool	WA Office of the State Treasurer - LGIP	39,174,404	27,818,254
Subtotal of Deposits and Current Investments		\$ 41,445,956	\$ 36,049,430
Managed Portfolio	WA Office of the State Treasurer, Separately Managed Account - SMA	38,770,536	36,757,627
Subtotal of Noncurrent Investments		\$ 38,770,536	\$ 36,757,627
Total Deposits and Investments		\$ 80,216,492	\$ 72,807,057

Investments are subject to the following risks.

- A. **Custodial Credit Risk** – Deposits are normally subject to custodial credit risk which is the risk that, in event of a failure of a depository financial institution, WSTIP would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. WSTIP’s deposits are entirely insured by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).
- B. **Interest Rate Risk** – Interest rate risk is the risk that WSTIP may face should interest rate variances affect the fair value of investments. Generally, the longer the maturity, the greater the sensitivity of its fair value to changes in market interest rates. WSTIP’s investment policy does not specifically address the management of interest rate risk, however, the exposure to interest rate risk is managed through diversification and by purchasing a combination of short and long-term investments that mature evenly over time.
- C. **Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. WSTIP’s does not have a formal policy for concentration of credit risk, however, the exposure to concentration of credit risk is managed by OST who purchases investments from multiple issuers as part of our SMA.

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NOTE 2 – DEPOSITS AND INVESTMENTS ... CONTINUED

WSTIP's investment policy authorizes investments with and through the following programs and partners:

- D. Investments in Local Government Investment Pool (LGIP)** – WSTIP is a participant in LGIP, an external investment pool operated by the Washington State Office of the Treasurer (OST). LGIP is not rated or registered with the Securities & Exchange Commission (SEC). Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. LGIP measures and reports its investments at amortized cost. In accordance with GASB 79 paragraph 41, external participants are required to report their investments in the same manner as the investment pool. As such, WSTIP reports its investment in LGIP at amortized cost, which is the same as the value of the pool per share. LGIP does not impose any restrictions on participant withdrawals.

OST prepares a stand-alone financial report for LGIP. A copy of the report is available from OST, PO Box 40200, Olympia, WA 98504-0200 or at www.tre.wa.gov.

- E. Investments in Thurston County Investment Pool (TCIP)** – WSTIP is a participant in TCIP, an external investment pool operated by the Thurston County Treasurer's Office (TCT). TCIP is not rated or registered with the Securities & Exchange Commission (SEC). TCIP is established in accordance with RCW 36.29 which authorizes the County Treasurer to invest the funds of participants. TCT's investment policy is established by the County Finance Committee consisting of the County Treasurer, the County Auditor, and the Chairman of the Board of County Commissioners. The object of the policy is to invest public funds in a manner which will provide maximum security with the highest investment return while meeting daily cash flow demands and conforming to all state and local statutes governing the investment of public funds. TCIP operates on an amortized cost-book value basis and reports its investments at fair value. In accordance with GASB 79 paragraph 41, external participants are required to report their investments in the same manner as the investment pool. As such, WSTIP reports its investment in TCIP at fair value, which is the same as the value of the pool per share. Changes in fair value are included as unrealized gain / (loss) on investments in WSTIP's financial statements. All funds deposited in TCIP are available to the participant at full face value without regard to current fair values of the investment pool. TCIP does not impose any restrictions on participant withdrawals. TCIP does not have a credit rating and had a weighted average maturity of 1.901 years as of December 31, 2025.

Thurston County prepares an Annual Comprehensive Financial Report that includes TCIP financial information. A copy of the report is available from TCT, 3000 Pacific Avenue SE, Olympia, WA 98501, or at <https://www.thurstoncountywa.gov/departments/auditor/financial-services/financial-reports>.

- F. Investments in Separately Managed Account (SMA)** – WSTIP entered into an Interagency Agreement with the Washington State Office of the Treasurer (OST) in 2023 to allow WSTIP to participate in OST's Managed Portfolio program, SMA. On February 1, 2023, WSTIP transferred \$15M from our LGIP account to open (fund) the SMA with an additional \$15M transferred to our SMA on January 17, 2024. OST invests these funds in accordance with OST's investment policies and procedures, which are the same for OST's Core Portfolio. OST provides WSTIP with monthly investment reports. WSTIP does not record the individual transactions made in the SMA but records the net investment changes monthly. In accordance with GASB 72 WSTIP reports its investment in SMA at fair value even if WSTIP was able to (or planned to) hold the SMA investments to maturity. Changes in fair value are included as unrealized gain / (loss) on investments in WSTIP's financial statements. In accordance with the Interagency Agreement, WSTIP's initial investment term of three (3) years ends January 1, 2026. After the initial term, the Agreement automatically renews each year unless either party provides notice to the other party of its intent to terminate the agreement.

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS ... CONTINUED

G. Investments Measured at Fair Value – WSTIP measures and reports investments at fair value using the valuation input hierarchy established by GASB 72 as follows:

Level 1 – Pricing inputs are observable inputs such as quoted prices, available in active markets, for identical assets or liabilities on the date of measurement.

Level 2 – Pricing inputs are either directly or indirectly observable inputs available in active markets as of the measurement date.

Level 3 – Pricing inputs are unobservable inputs used in cases where financial instruments are considered illiquid, with no significant market activity and little or no pricing information on the date of measurement.

Investments measured at fair value for year ended December 31, 2025 was as follows:

Investments by Fair Value Level			Fair Value Measurements Using		
			Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Type	Entity	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investment Pool	Thurston County Investment Pool - TCIP	2,271,552		2,271,552	
Managed Portfolio	WA Office of the State Treasurer - SMA	38,770,536		38,770,536	
Total Investments Measured at Fair Value		\$ 41,042,088	\$ -	\$ 41,042,088	\$ -
Investments Not Measured at Fair Value (not subject to fair value hierarchy)					
Type	Entity	Amortized Cost			
Investment Pool	WA Office of the State Treasurer - LGIP	39,174,404			
Total Investments by Amortized Cost		\$ 39,174,404			
Total Investments as of December 31, 2025		\$ 80,216,492			

Investments measured at fair value for year ended December 31, 2024 was as follows:

Investments by Fair Value Level			Fair Value Measurements Using		
			Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Type	Entity	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investment Pool	Thurston County Investment Pool - TCIP	8,231,176		8,231,176	
Managed Portfolio	WA Office of the State Treasurer - SMA	36,757,627		36,757,627	
Total Investments Measured at Fair Value		\$ 44,988,803	\$ -	\$ 44,988,803	\$ -
Investments Not Measured at Fair Value (not subject to fair value hierarchy)					
Type	Entity	Amortized Cost			
Investment Pool	WA Office of the State Treasurer - LGIP	27,818,254			
Total Investments by Amortized Cost		\$ 27,818,254			
Total Investments as of December 31, 2024		\$ 72,807,057			

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance Jan 1, 2025	Increases	Decreases	Balance Dec 31, 2025
Capital Assets, Not Being Depreciated				
Land	\$ 91,010	\$ -	\$ -	\$ 91,010
Subtotal	\$ 91,010	\$ -	\$ -	\$ 91,010
Capital Assets, Being Depreciated & Amortized				
Buildings	387,990	-	-	387,990
Building Improvements	64,118	-	-	64,118
Furnishings & Equipment	147,062	-	-	147,062
Right-to-Use Subscriptions	1,599,217	-	-	1,599,217
Subtotal	\$ 2,198,387	\$ -	\$ -	\$ 2,198,387
Less Accumulated Depreciation & Amortization				
Buildings	229,206	9,924	-	239,130
Building Improvements	29,618	3,948	-	33,566
Furnishings & Equipment	61,761	15,053	-	76,814
Right-to-Use Subscriptions	296,881	354,264	-	651,145
Subtotal	\$ 617,466	\$ 383,189	\$ -	\$ 1,000,655
Total Capital Assets, Net of Depreciation & Amortization	\$ 1,580,921	\$ (383,189)	\$ -	\$ 1,197,732
Total Capital Assets, Net	\$ 1,671,931	\$ (383,189)	\$ -	\$ 1,288,742

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance Jan 1, 2024	Increases	Decreases	Balance Dec 31, 2024
Capital Assets, Not Being Depreciated				
Land	\$ 91,010	\$ -	\$ -	\$ 91,010
Subtotal	\$ 91,010	\$ -	\$ -	\$ 91,010
Capital Assets, Being Depreciated & Amortized				
Buildings	387,990	-	-	387,990
Building Improvements	64,118	-	-	64,118
Furnishings & Equipment	133,317	13,745	-	147,062
Right-to-Use Subscriptions	1,484,497	114,720	-	1,599,217
Subtotal	\$ 2,069,922	\$ 128,465	\$ -	\$ 2,198,387
Less Accumulated Depreciation & Amortization				
Buildings	219,282	9,924	-	229,206
Building Improvements	25,670	3,948	-	29,618
Furnishings & Equipment	49,465	12,296	-	61,761
Right-to-Use Subscriptions	-	296,881	-	296,881
Subtotal	\$ 294,417	\$ 323,049	\$ -	\$ 617,466
Total Capital Assets, Net of Depreciation & Amortization	\$ 1,775,505	\$ (194,584)	\$ -	\$ 1,580,921
Total Capital Assets, Net	\$ 1,866,515	\$ (194,584)	\$ -	\$ 1,671,931

NOTE 4 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

As discussed in Note 1G.11, the Pool records a right-to-use subscription asset and corresponding subscription liability where total payments for fixed costs over the subscription term (excluding tech support and sales taxes) are greater than or equal to \$50,000. Subscriptions that do not meet this capitalization criteria are recognized as current period expenses. Variable payments arrangements are a common component of WSTIP agreements in that the Pool procures risk management solutions (or platforms) and our Members gain access based on user licensing. In accordance with GASB 96 paragraph 17, variable payments for the number of user seats or licenses are not included in the measurement of the subscription liability. As such, WSTIP excludes payments for variable costs related to user licensing and bulk user licensing (e.g. 500 seats).

WSTIP may end up with an aggregate of excluded agreements that is greater than \$50,000. It is not anticipated that excluded agreements would exceed \$100,000 in any given year. Aggregate amounts under \$100,000 are not significant to WSTIP’s financial statements.

Right-to-Use Subscription and Subscription Liability

Subscription asset activity for the year ended December 31, 2025 was as follows:

	Balance			Balance Dec 31, 2025
	Jan 1, 2025	Increases	Decreases	
Right-to-Use Subscriptions				
Absorb LMS	114,720	-	-	114,720
Origami Risk RMIS Agreement	1,484,497	-	-	1,484,497
Subtotal	\$ 1,599,217	\$ -	\$ -	\$ 1,599,217
Less Accumulated Amortization				
Absorb LMS	-	57,360	-	57,360
Origami Risk RMIS Agreement	296,881	296,904	-	593,785
Subtotal	\$ 296,881	\$ 354,264	\$ -	\$ 651,145
Subscription Assets, Net	\$ 1,302,336	\$ (354,264)	\$ -	\$ 948,072

Subscription asset activity for the year ended December 31, 2024 was as follows:

	Balance			Balance Dec 31, 2024
	Jan 1, 2024	Increases	Decreases	
Right-to-Use Subscriptions				
Absorb LMS	-	114,720	-	114,720
Origami Risk RMIS Agreement	1,484,497	-	-	1,484,497
Subtotal	\$ 1,484,497	\$ 114,720	\$ -	\$ 1,599,217
Less Accumulated Amortization				
Absorb LMS	-	-	-	-
Origami Risk RMIS Agreement	-	296,881	-	296,881
Subtotal	\$ -	\$ 296,881	\$ -	\$ 296,881
Subscription Assets, Net	\$ 1,484,497	\$ (182,161)	\$ -	\$ 1,302,336

NOTE 4 – SBITA ... CONTINUED

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

In 2023, WSTIP entered into an agreement with Origami Risk to use their Risk Management Information System (RMIS) for the period January 1, 2024 to December 31, 2028. There are tech support costs in the agreement that have been excluded in the SBITA. The subscription asset and liability are calculated over a five-year period using a 2% interest rate, which is the interest rate implicit in the SBITA.

In 2023, WSTIP entered into an agreement with AbsorbLMS to use their Learning Management System (LMS) for the period January 1, 2024 to December 31, 2026. The new fixed cost agreement replaced a fixed cost and variable cost licensing agreement which had been prepaid. It was determined most practical to account for the remaining two years of the agreement as SBITA. The SBITA agreement did not indicate an interest rate. As such, the subscription asset and liability are calculated over a two-year period using the U.S. Prime Rate of 8.5% interest rate.

As of December 31, 2025, the outstanding balances for the asset, net of amortization, and liability are:

	Absorb LMS			Origami Risk			Both Agreements		
	Asset, Net	Liability Total	Liability Current	Asset, Net	Liability Total	Liability Current	Asset, Net	Liability Total	Liability Current
		\$ 57,360	\$ 56,864	\$ 56,864	\$ 890,712	\$ 915,319	\$ 278,066	\$ 948,072	\$ 972,183
Year Ended December 31	Principal	Interest	Total ‡	Principal	Interest	Total ‡	Principal	Interest	Total ‡
2026	\$ 56,864	\$ 10,078	\$ 66,942	\$ 278,066	\$ 11,234	\$ 289,300	\$ 334,930	\$ 21,312	\$ 356,242
2027			-	314,218	19,233	333,451	314,218	19,233	333,451
2028			-	323,035	26,628	349,663	323,035	26,628	349,663
2029			-			-	-	-	-
2030			-			-	-	-	-
2031 - 2035			-			-	-	-	-
2036 - 2040			-			-	-	-	-
Total	\$ 56,864	\$ 10,078	\$ 66,942	\$ 915,319	\$ 57,095	\$ 972,414	\$ 972,183	\$ 67,173	\$ 1,039,356

‡ The total amounts may vary +/- \$1 due to rounding

As of December 31, 2024, the outstanding balances for the asset, net of amortization, and liability are:

	Absorb LMS			Origami Risk			Both Agreements		
	Asset, Net	Liability Total	Liability Current	Asset, Net	Liability Total	Liability Current	Asset, Net	Liability Total	Liability Current
		\$ 114,720	\$ 114,720	\$ 57,856	\$ 1,187,616	\$ 1,198,947	\$ 283,627	\$ 1,302,336	\$ 1,313,667
Year Ended December 31	Principal	Interest	Total ‡	Principal	Interest	Total ‡	Principal	Interest	Total ‡
2025	\$ 57,856	\$ 4,918	\$ 62,774 *	\$ 283,628	\$ 5,673	\$ 289,301 *	\$ 341,484	\$ 10,591	\$ 352,075
2026	56,864	10,078	66,942 *	278,066	11,234	289,300 *	334,930	21,312	356,242
2027	-	-	- *	314,218	19,233	333,451 *	314,218	19,233	333,451
2028	-	-	- *	323,035	26,628	349,663 *	323,035	26,628	349,663
2029	-	-	-	-	-	- *	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
Total	\$ 114,720	\$ 14,996	\$ 129,716	\$ 1,198,947	\$ 62,768	\$ 1,261,715	\$ 1,313,667	\$ 77,764	\$ 1,391,431

‡ The total amounts may vary +/- \$1 due to rounding

NOTE 5 – UNPAID CLAIMS LIABILITY

Unaudited 2026-03-17

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

As discussed in Note 1G.14, the Pool establishes liabilities for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities for the Pool as of December 31, 2025 and 2024:

Change in Unpaid Claims Liabilities by Program	2025	2024
Unpaid claim and claim adjustment expenses at beginning of the fiscal year	\$ 29,017,412	\$ 21,047,451
Incurred claim and claim adjustment expenses:		
Provision for insured events of the current fiscal year	\$ 10,723,928	12,530,000
Changes in provision for insured events of prior fiscal years	\$ (2,980,000)	245,591
Changes in ULAE	\$ 50,000	300,000
Total incurred claim and claim adjustment expenses	\$ 7,793,928	\$ 13,075,591
Payments:		
Claim and claim adjustment expense attributable to insured events of the current fiscal year	\$ 1,358,102	1,679,718
Claim and claim adjustment expense attributable to insured events of the prior fiscal years	\$ 7,372,674	3,425,912
Total payments	\$ 8,730,776	\$ 5,105,630
Total unpaid claim and claim adjustment expenses at the end of the fiscal year	\$ 28,080,564	\$ 29,017,412
Components of Unpaid Claims Liability:		
Open Claims Reserves - Current	\$ 9,081,000	\$ 9,030,000
Open Claims Reserves - Noncurrent	\$ 7,962,938	10,013,824
Open Claims Reserves - Total	\$ 17,043,938	\$ 19,043,824
Incurred But Not Reported (IBNR)	\$ 9,886,626	8,873,588
Unallocated Loss Adjustment Expenses (ULAE)	\$ 1,150,000	1,100,000
Unpaid claim and claim adjustment expense	\$ 28,080,564	\$ 29,017,412

NOTE 6 – OPEB DEFINED BENEFIT PLAN – NO QUALIFYING TRUST

The table below represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2025, with a measurement date of June 30, 2025 and as of December 31, 2025 and 2024:

Aggregate OPEB Amounts – All Plans		
	2025	2024
OPEB liabilities	\$ 236,822	\$ 335,731
OPEB assets	\$ -	\$ -
Deferred outflows of resources	\$ 158	\$ 1,703
Deferred inflows of resources		
OPEB expenses/expenditures	\$ (98,586)	\$ (14,714)

NOTE 6 – OPEB DEFINED BENEFIT PLAN – NO QUALIFYING TRUST ... CONTINUED

OPEB Plan Description

- a. WSTIP participates in the Washington State Public Employees Benefits Board (PEBB) healthcare program administered by the Washington State Health Care Authority (HCA). The plan is considered to be a single-employer defined benefit OPEB plan.
- b. The plan is available to all WSTIP employees. The plan provides medical, prescription drug, vision and dental coverage. The premiums for the retired employees are blended with the rates for active employees. The blending of rates is considered an implicit subsidy paid by WSTIP. There are no COLAs associated with the plan.
- c. At the PEBB measurement date of June 30, 2025 and 2024, WSTIP had the following employees covered by the benefit terms:

Classification	2025	2024
Active employees	14	13
Inactive employees currently receiving benefits	-	1
Inactive employees entitled to but not yet receiving benefits	-	-
Total Plan Members	14	14

- d. The plan is funded on a pay-as-you-go basis. There are no assets accumulated in a qualifying trust.
- e. No stand-alone financial statements are available for the PEBB program.

Assumptions and Other Inputs

The discount rate used in the online tool developed by the Office of the State Actuary was 3.93% for the beginning of the measurement year and 5.2% for the end of the measurement year. Projected salary changes were 3.25% plus service-based increases. Healthcare Trend rates had initial rate ranges from about -4.5% to 9.5% reaching an ultimate rate of approximately 3.8% in 2080. Mortality rates were calculated using the Society of Actuaries' PubG.H-2010 (General) base mortality table with a 0-year age setback, mortality improvements of MP-2017 long-term rates and a generational projection period. An inflation rate of 2.4% was used. Post-retirement participation percentage was 60% and spousal coverage was 45%.

Assumptions for retirement, disability, termination and mortality were based on the 2024 PEBB OPEB Actuarial Valuation Report. Retirement service for each active cohort was based on the average entry age of 35 with service being a component of benefit eligibility.

- a. The following presents the total OPEB liability if WSTIP calculated using the current healthcare cost trend rate of -4.60%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% lower (-5.60%) or 1% higher (-3.60%) than the current rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	-5.60%	-4.6%	-3.60%
Net OPEB Liability	\$ 188,831	\$ 236,822	\$ 300,757

- b. The following presents the total OPEB liability if WSTIP calculated using the discount rate of 5.20%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current rate.

	1% Decrease	Discount Rate as of June 30, 2025	1% Increase
Net OPEB Liability	\$ 287,866	\$ 236,822	\$ 196,683

NOTE 6 – OPEB DEFINED BENEFIT PLAN – NO QUALIFYING TRUST ... CONTINUED

Unaudited 2026-03-17

Changes in the Total OPEB Liability

The schedule of changes in the total OPEB liability as of the measurement date of June 30, 2025 and as of December 31, 2025 and 2024 was as follows:

PEBB - Health Care Authority	2025	2024
Total OPEB liability - beginning	\$ 335,731	\$ 320,804
Service cost	19,768	15,812
Interest cost	13,965	12,235
Changes in experience data & assumptions	(147,725)	(10,250)
Changes in benefit terms	15,406	-
Benefit payments	(323)	(2,870)
Other changes	-	-
Total OPEB liability - ending	\$ 236,822	\$ 335,731

- a. The measurement and valuation dates are June 30, 2025. To estimate the Total OPEB Liability (TOL) as of the beginning of the measurement period, the TOL was projected backwards to the measurement date of June 30, 2024. With fewer than 100 plan members, WSTIP calculates OPEB Liability utilizing the Alternative Measurement Method (AMM) tool, prepared by the Washington State Office of the State Actuary. The AMM relies on WSTIP inputs related to plan members and covered-employee payroll.
- b. There was no special funding situation where WSTIP's proportion (percentage) of the collection of net OPEB liability changed since the prior measurement date.
- c. The backward projection of the liability reflected the estimated service cost, assumed interest, and expected benefit payments.
- d. There were no changes of benefit terms that affected measurement of the TOL since the prior measurement date.
- e. There were no obligations for the payment of benefits transferred from the employer to one or more insurance companies.
- f. There were no changes between the measurement date of the TOL and the employer's reporting date that are expected to have any effect on the TOL.
- g. The total OPEB expense (gain) recognized by WSTIP in the reporting period was \$98,586.
- h. At December 31, 2025 and 2024, WSTIP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual investment earnings on OPEB plan investments	-	-	-	-
Transactions subsequent to the measurement date	158	-	1,703	-
TOTAL	\$ 158	\$ -	\$ 1,703	\$ -

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS

Unaudited 2026-03-17

The following table represents the aggregate pension amounts for all plans for the years 2025 and 2024:

Aggregate Pension Amounts – All Plans		
	2025	2024
Pension liabilities	\$ (85,796)	\$ (127,915)
Pension assets	\$ 359,560	\$ 307,735
Deferred outflows of resources	\$ 456,212	\$ 421,419
Deferred inflows of resources	\$ (109,869)	\$ (133,676)
Pension expenses/expenditures	\$ (32,373)	\$ (20,464)

State Sponsored Pension Plans – Substantially all WSTIP’s full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employee’s Retirement System (PERS) – PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions – The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS 1 Unfunded Actuarial Accrued Liability (UAAL).

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS ... CONTINUED

Unaudited 2026-03-17

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

PERS Plan 1 – Actual Contribution Rates					
Jan – Jun 2025	ER	EE*	Jul – Dec 2025	ER	EE*
PERS Plan 1	6.36%	6.00%	PERS Plan 1	5.38%	6.00%
PERS Plan 1 UAAL	2.55%		PERS Plan 1 UAAL	0.00%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Total	9.11%	6.00%	Total	5.58%	6.00%

Employee (EE), Unfunded Actuarial Accrued

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member’s AFC times the member’s years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions – The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and is subject to change by the Legislature. The PERS 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL). As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits. The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

No WSTIP employees are covered by PERS Plan 1; For the years ended December 31, 2025, and

PERS Plans 2/3 – Actual Contribution Rates					
Jan – Jun 2025	ER	EE*	Jul – Dec 2025	ER	EE*
PERS Plan 2/3	6.36%	6.36%	PERS Plan 2/3	5.38%	
PERS Plan 1 UAAL	2.55%		PERS Plan 1 UAAL	0.00%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
EE PERS Plan 3		Varies	EE PERS Plan 3		Varies
Total	9.11%	6.36%	Total	5.58%	0.00%

Employee (EE), Unfunded Actuarial Accrued

2024 WSTIP actual contributions to PERS Plan 2/3 were \$97,857 and \$96,951 respectively.

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS ... CONTINUED

Unaudited 2026-03-17

Actuarial Assumptions – The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed as of June 30, 2024 with resulted rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2024 Actuarial Valuation Report.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries’ Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime. Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR).

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

Long-Term Expected Rate of Return – The long-term expected rate of return on the DRS pension plan investments of 7% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA’s and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class – The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2025. The inflation component used to create the table is 2.5% and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Discount Rate – The discount rate used to measure the total pension liability for all DRS plans was 7%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7% was used to determine the total liability.

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS ... CONTINUED

Unaudited 2026-03-17

Sensitivity of the Net Pension Liability/(Asset) – The table below presents WSTIP’s proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what WSTIP’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate.

PERS Plan	1% Decrease	June 30, 2025 Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Plan 1	\$ 144,772	\$ 85,796	\$ 34,072
Plan 2/3	\$ 583,478	\$ (359,560)	\$ (1,134,057)

Pension Plan Fiduciary Net Position – Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025 WSTIP reported its proportionate share of the net pension liabilities (assets) as follows:

PERS Plan	Liability (Asset)	
	2025	2024
Plan 1	\$ 85,796	\$ 127,915
Plan 2/3	\$ (359,560)	\$ (307,735)
Total	\$ (273,764)	\$ (179,820)

At June 30, 2025 WSTIP’s proportionate share of the collective net pension liabilities was as follows:

PERS Plan	Proportionate Share of Collective Net Pension Liabilities			Change in Proportion	
	June, 30 2025	June, 30 2024	June, 30 2023	2025 to 2024	2024 to 2023
Plan 1	0.007277%	0.007199%	0.007158%	0.000078%	0.000041%
Plan 2/3	0.009422%	0.009335%	0.009232%	0.000087%	0.000103%

Employer contribution transmittals received and processed by DRS for the fiscal year ended June 30, 2025 are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

Pension Expense

For the years ended December 31, 2025 and 2024, WSTIP’s recognized pension expense as follows:

PERS Plan	Pension Expense	
	2025	2024
Plan 1	\$ (6,331)	\$ (585)
Plan 2/3	\$ (26,042)	\$ (19,879)
Total	\$ (32,373)	\$ (20,464)

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS ... CONTINUED

Unaudited 2026-03-17

Deferred Outflows of Resources and Deferred Inflows of Resources

On December 31, 2025 and 2024, WSTIP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS Plan 1				
between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(5,898)	-	(10,235)
assumptions	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
subsequent to the measurement date	1,868	-	19,678	-
TOTAL	\$ 1,868	\$ (5,898)	\$ 19,678	\$ (10,235)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	PERS Plans 2/3			
between expected and actual experience	\$ 262,889	\$ -	\$ 174,862	\$ (712)
Net difference between projected and actual investment earnings on pension plan investments	-	(80,970)	-	(88,188)
assumptions	138,956	(9,929)	169,932	(19,498)
Changes in proportion and differences between contributions and proportionate share of contributions	5,640	(13,072)	7,953	(15,043)
subsequent to the measurement date	46,859	-	48,994	-
TOTAL	\$ 454,344	\$ (103,971)	\$ 401,741	\$ (123,441)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	PERS Plans 1,2,3			
between expected and actual experience	\$ 262,889	\$ -	\$ 174,862	\$ (712)
Net difference between projected and actual investment earnings on pension plan investments	-	(86,868)	-	(98,423)
assumptions	138,956	(9,929)	169,932	(19,498)
Changes in proportion and differences between contributions and proportionate share of contributions	5,640	(13,072)	7,953	(15,043)
subsequent to the measurement date	48,727	-	68,672	-
TOTAL	\$ 456,212	\$ (109,869)	\$ 421,419	\$ (133,676)

NOTE 7 – PENSION – STATE SPONSORED (DRS) PLANS ... CONTINUED

Unaudited 2026-03-17

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

Deferred outflows of resources related to pensions resulting from WSTIP’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3	PERS 1,2,3
2026	\$ 5,628	\$ 125,020	\$ 130,648
2027	\$ (4,100)	\$ 47,590	\$ 43,490
2028	\$ (4,258)	\$ 46,609	\$ 42,351
2029	\$ (3,169)	\$ 18,244	\$ 15,075
2030		\$ 44,835	\$ 44,835
Thereafter		\$ 21,217	\$ 21,217

NOTE 8 – SOLVENCY

Washington Administrative Code (WAC) 200-100 requires WSTIP to maintain certain levels of primary and secondary assets to meet solvency standards. As defined in WAC 200-100-03001 total primary assets, deposits and investments less non-claim liabilities, must be at least equal to the unpaid claims estimate at the expected level as determined by the actuary. Additionally, total primary and secondary assets must be at least equal to the unpaid claims estimate at the 80% confidence level as determined by the actuary. Secondary assets are defined as insurance receivables, real estate or other assets (less any non-claim liabilities) the value of which can be independently verified by the state risk manager.

The solvency test results for WSTIP as of December 31, 2025 and 2024 are as follows:

Primary Asset Test		2025	2024
Primary Assets, Net	[A]	\$ 77,213,038	\$ 69,775,637
Unpaid Claims - Expected Level	[B]	\$ 28,080,564	\$ 29,017,412
Margin [A] - [B]		\$ 49,132,474	\$ 40,758,225
Test to Standard [A] ≥ [B]		Met Standard	Met Standard
Primary & Secondary Asset Test		2025	2024
Primary & Secondary Assets, Net	[C]	\$ 88,201,982	\$ 79,776,408
Unpaid Claims - 80% Confidence Level	[D]	\$ 34,410,132	\$ 35,508,848
Margin [C] - [D]		\$ 53,791,850	\$ 44,267,560
Test to Standard [C] ≥ [D]		Met Standard	Met Standard

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Unaudited 2026-03-17

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

The Pool has prepared these reports starting with all long-term liabilities while also reporting the amount due within one year (the current portion) and the amount due beyond one year (the noncurrent portion).

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

	Balance			Balance Dec 31, 2025	Due Within One Year	Due Beyond One Year
	Jan 1, 2025	Increases	Decreases			
Compensated Absences	237,017	236,628	237,017	236,628	198,921	37,707
Due to Members	825,308	132,365	454,463	503,210	370,845	132,365
Subscription Liability	1,313,667		341,484	972,183	334,930	637,253
Due to RPLDP	-			-		-
Unpaid Claims Liability - Reserves	19,043,824		1,999,886	17,043,938	9,081,000	7,962,938
Unpaid Claims Liability - IBNR	8,873,588	1,013,038		9,886,626		9,886,626
Unpaid Claims Liability - ULAE	1,100,000	50,000		1,150,000		1,150,000
Total OPEB Liability	335,731	236,822	335,731	236,822	316	236,506
Net Pension Liability	127,915	85,796	127,915	85,796		85,796
Total Long-Term Liabilities	\$ 31,857,050	\$ 1,754,649	\$ 3,496,496	\$ 30,115,203	\$ 9,986,012	\$ 20,129,191

During the year ended December 31, 2024, the following changes occurred in long-term liabilities:

	Balance			Balance Dec 31, 2024	Due Within One Year	Due Beyond One Year
	Jan 1, 2024	Increases	Decreases			
Compensated Absences	214,316	237,017	214,316	237,017	203,458	33,559
Due to Members	1,656,679	370,845	1,202,216	825,308	454,463	370,845
Subscription Liability	1,484,497	114,720	285,550	1,313,667	341,483	972,184
Due to RPLDP	544	-	544	-	-	-
Unpaid Claims Liability - Reserves	12,115,107	6,928,717	-	19,043,824	9,030,000	10,013,824
Unpaid Claims Liability - IBNR	8,132,344	741,244	-	8,873,588	-	8,873,588
Unpaid Claims Liability - ULAE	800,000	300,000	-	1,100,000	-	1,100,000
Total OPEB Liability	320,804	335,731	320,804	335,731	3,407	332,324
Net Pension Liability	163,398	127,915	163,398	127,915	-	127,915
Total Long-Term Liabilities	\$ 24,887,689	\$ 9,156,189	\$ 2,186,828	\$ 31,857,050	\$ 10,032,811	\$ 21,824,239

NOTE 10 – RISK FINANCING LIMITS

Unaudited 2026-03-17

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

The following table reflects the risk financing limits on coverage policies issued and retained by WSTIP at December 31, 2025

NOTE 10 – RISK FINANCING LIMITS ... CONTINUED

Liability	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Bodily Injury and Property Damage	No deductible	\$1.5M	\$25M
Personal Injury and Advertising Injury	No deductible	\$1.5M	\$25M
Contractual Liability	No deductible	\$1.5M	\$25M
Public Rideshare Driver Medical Expense Protection (PDRMEP)	No deductible	\$35K	None
Transit Rider Medical Expense Protection (TRMEP) [1]	No deductible	15K	None
Permissive Use of a Member-Owned Motor Vehicle	No deductible	[2]	None
Agency, rental, and personal/private vehicle occupants not covered by workers' compensation or transit passengers	No deductible	[2]	None
Endorsement - Communicable Disease	No deductible	\$500K	\$1.5M
Public Officials Errors and Omissions	\$5K	\$1.5M	\$25M
Endorsement - Violations of Wage & Hours Laws	\$25K	\$250K	None
Employment Practice Liability	\$5K	\$1.5M	\$25M
Crime/Blanket Employee Dishonesty	\$10K	None	\$2M

[1] PDRMEP is mandatory for all rideshare programs and the Member may elect to purchase TRMEP on any mode.

[2] \$100K per occurrence for property damage, \$300K per occurrence for bodily injury

Property [3]	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Building and Contents	Varies by Member [5]	\$250K	\$500M
Boiler and Machinery	Varies by unit size [4]	None	\$100M
Auto Physical Damage (APD)			
Vehicles valued at or below \$250K or model year is more than 10 years old	Varies by Member [5]	\$250K	Fair market value, up to \$250K per vehicle
Vehicles valued over \$250K and model year is less than 10 years old	Varies by Member [5]	\$250K	Replacement Cost, up to \$1.75M per vehicle
Flood [6]			
Flood Zones A&V	\$500K	\$250K	\$10M
Flood Zones except A&V	\$500K	\$250K	\$50M
Earthquake	5% subject to \$500K minimum per occurrence per unit	None	\$35M
Combined Business Interruption, Rental Income, and Tuition Income	Varies by Member [5]	\$250K	\$100M

[3] Central Transit, Everett Transit and Pullman Transit do not purchase property coverage through WSTIP.

Yakima Transit purchases auto physical damage coverage but not all risk property.

[4] Boiler & Machinery deductible: \$250,000,000 for units under 750hp, 25,000 KW/KVA/Amp, or Boilers over 75,000 square feet of heating surface; \$350,000,000 for units over above limits.

[5] Members may select a higher deductible for property and auto physical damage. Deductibles for 2025 were: Spokane Transit \$10,000; Pierce Transit \$25,000; all other Members \$5,000.

[6] Annual Aggregate

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

Cyber Liability [7]	Member Deductibles	Self-Insured Retention	Reinsurance/Excess Limits
Cyber Liability	\$5K	None	\$75M** \$2M*
Breach Response Costs	\$5K	None	\$500K*
FIRST PARTY LOSS			
Business Interruption			
Business Interruption Resulting from Security Breach	\$5K	None	\$750K*
Business Interruption Resulting from System Failure	\$5K	None	\$500K*
Dependent Business Loss Resulting from Security Breach	\$5K	None	\$750K*
Dependent Business Loss Resulting from System Failure	\$5K	None	\$100K*
Cyber Extortion	\$5K	None	\$750K*
Data Recovery Costs	\$5K	None	\$750K*
LIABILITY			
Data & Network Liability	\$5K	None	\$2M*
Regulatory Defense & Penalties	\$5K	None	\$2M*
Payment Card Liabilities and Costs	\$5K	None	\$2M*
Media Liability	\$5K	None	\$2M*
eCRIME			
Fraudulent Instruction	\$5K	None	\$75K*
Funds Transfer Fraud	\$5K	None	\$75K*
Telephone Fraud	\$5K	None	\$75K*
Criminal Reward	\$5K	None	\$25K*
Consequential Reputational Loss	\$5K	None	\$200K*
Claims Preparation Costs for Reputation Loss Claims Only	\$5K	None	\$50K*
Computer Hardware Replacement Costs	\$5K	None	\$200K*
Invoice Manipulation	\$5K	None	\$100K*
Cryptojacking	\$5K	None	\$50K*

[7] Central Transit, Everett Transit, Pullman Transit, and Yakima Transit do not purchase Cyber Liability/First Party Computer Security

* per Member aggregate

** the \$75M applies to all insureds that purchase the policy

NOTE 11 – EXCESS INSURANCE CONTRACTS / REINSURANCE

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
NOTES TO THE FINANCIAL STATEMENTS

The Pool maintains excess insurance contracts with several insurance carriers which provide various limits of coverage over the Pool’s self-insured retention limits. The following table presents the excess insurance contracts at December 31, 2025:

Coverage	Carrier	Layer
Liability	GEM Re	\$3.5M in excess of \$1.5M
	Munich Re	\$10M in excess of \$5M
	StarStone	\$5M in excess of \$15M
	Allied World Assurance Company	\$5M in excess of \$20M
Crime	National Union Fire	\$2M
Blanket Pollution	Beazley Eclipse	\$5M
Underground Storage Tank (UST)	Mid-Continent Casualty Company	\$1M per storage tank incident
		\$1M aggregate per location
All Risk Property	Alliant Public Entity Property Program (APIP)	\$500M per occurrence for all Members combined with various sublimits
Auto Physical Damage	Evanston Insurance Company	Fair Market Value for vehicles valued at or below \$250K or model year is more than 10 years old*
		Replacement Cost for vehicles valued over \$250K and model year is less than 10 years old*
	\$20M*	
	Burlington Insurance Company	\$10M in excess of \$20M**
Cyber Liability	Alliant Public Entity Property Program (APIP)	\$75M aggregate for all insureds/Members combined
		\$2M aggregate per Member
	Varies	\$2M in excess of \$2M***

* \$20M aggregate per Member from any one occurrence where loss is to more than one vehicle.

** Members may elect to purchase/participate in the additional APD coverage.

*** Members may elect to purchase/participate in additional excess cyber coverage. Coverage through one of two carriers.

Coverage for public officials liability, pollution, and underground storage tanks (UST) are claims-made. All other coverages are occurrence based.

NOTE 12 – GOVERNMENT ENTITIES MUTUAL (GEM)

WSTIP accounts for GEM activity using the equity method of accounting. Changes in equity are the result of profit sharing available to all GEM Members. WSTIP’s proportionate share of income from GEM for the 2025 financial year has not been determined. It is Pool management’s assessment that the adjustment will be immaterial to WSTIP’s 2025 financial statement, as such no estimate has been recorded. The amount attributed to the year ended 2025 will be recorded in 2026 when the amount is known and communicated.

WSTIP’s proportionate share of loss from GEM’s 2024 financial year was \$102,367 and was included in WSTIP’s non-operating revenues (expenses) for 2025.

WSTIP’s proportionate share of income from GEM’s 2023 financial year was \$552,846 and was included in WSTIP’s non-operating revenues (expenses) for 2025.

NOTE 13 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The objective of this footnote is to communicate the status, outcomes or impacts of each GASB pronouncement on the Pool.

The following GASB’s have been evaluated and identified as not impacting WSTIP.

- GASB Statement No. 102, Certain Risk Disclosures
The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB 102 presents a reporting criteria that WSTIP will need to evaluate on an annual basis. However, in connection with the year ended December 31, 2025, WSTIP did not have concentrations or constraints that would limit the Pools ability to acquire resources or control spending as noted in GASB 102 paragraphs 4 – 6 that would require a note to the financial statement as required by GASB 102 paragraph 9.

The following GASB’s are expected to impact WSTIP and will require implementation by WSTIP.

- GASB Statement No. 103, Financial Reporting Model Improvements
The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

- GASB Statement No. 104, Disclosure of Certain Capital Assets
The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The following GASB’s are being evaluated to determine applicability to WSTIP.

- GASB Statement No. 105, Subsequent Events
The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

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REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 1 – CLAIMS DEVELOPMENT INFORMATION

The table on the next page illustrates how WSTIP's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by WSTIP as of the end of each of the last ten years. The table of rows are defined as follows:

- (1) This line shows the total of each fiscal years earned contribution revenues and investment revenues.
- (2) This line shows each fiscal year's other operating costs of WSTIP including overhead and claims expenses not allocated to individual claims.
- (3) This line shows WSTIP's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). The incurred (accrued) portion shown represents the combination of unpaid claims liability – reserves and unpaid claims liability – IBNR. The ceded portion includes excess insurance premiums, ceded incurred loss and ceded IBNR loss reserves.
- (4) This section shows the cumulative amounts paid as of the end of successive years for each policy year.
- (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- (6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.
- (7) This line shows the increase (decrease) in estimated net incurred claims and expenses for end of the policy year.

Columns of the table show data for successive policy years.

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 1 – CLAIMS DEVELOPMENT INFORMATION ... CONTINUED

	For the Year Ending December 31, 2025 (in thousands of dollars)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Member contribution & investment revenues:										
Gross	\$ 13,198	14,779	15,932	17,842	16,437	16,267	18,457	22,951	26,434	30,858
Ceded	\$ 2,150	2,215	2,324	2,573	3,252	3,664	4,074	4,519	6,003	8,528
Net earned	\$ 11,048	12,564	13,608	15,269	13,185	12,603	14,383	18,432	20,431	22,330
Unallocated operating expenses	\$ 3,142	2,735	2,781	2,983	2,880	3,163	3,111	3,334	3,651	3,854
Estimated losses & expenses end of policy year										
Incurred	\$ 5,395	8,106	9,068	8,998	5,969	6,094	7,711	12,580	12,530	10,724
Ceded	\$ 547	361	837	788	804	759	928	1,424	2,243	2,033
Net Incurred	\$ 4,848	7,745	8,231	8,210	5,165	5,335	6,783	11,156	10,287	8,691
Paid (cumulative) as of:										
End of policy year	\$ 805	1,870	1,115	1,097	773	1,010	1,091	1,063	1,680	1,358
One year later	\$ 2,056	2,819	2,808	2,633	1,383	1,743	3,302	2,816	4,493	
Two years later	\$ 3,231	3,344	3,805	3,758	2,180	2,064	3,623	5,947		
Three years later	\$ 3,878	4,235	5,247	6,714	2,664	2,669	4,022			
Four years later	\$ 4,105	5,006	6,801	7,850	2,702	3,054				
Five years later	\$ 4,114	5,075	9,212	8,500	3,297					
Six years later	\$ 4,132	5,253	9,272	8,501						
Seven years later	\$ 4,132	5,254	9,322							
Eight years later	\$ 4,132	5,251								
Nine years later	\$ 4,132									
Re-estimated ceded losses & expenses	\$ 14	19	5,002	50	39	277	689	3,347	1,151	
Re-estimated net incurred claims and expenses:										
End of policy year	\$ 5,395	8,106	9,068	8,998	5,969	6,094	7,711	12,580	12,530	
One year later	\$ 6,214	6,605	8,337	10,215	5,716	5,067	7,389	14,022	11,929	
Two years later	\$ 5,668	6,170	8,794	10,035	4,618	4,318	6,496	13,049		
Three years later	\$ 4,691	6,603	9,100	9,692	3,344	4,453	5,684			
Four years later	\$ 4,286	5,994	11,148	8,826	3,258	3,830				
Five years later	\$ 4,221	5,868	9,857	8,620	3,557					
Six years later	\$ 4,148	5,318	9,780	8,599						
Seven years later	\$ 4,145	5,264	9,501							
Eight years later	\$ 4,139	5,292								
Nine years later	\$ 4,145									
Increase (decrease) in estimated net incurred claims and expenses for end of the policy year	\$ (703)	(2,453)	1,270	389	(1,608)	(1,506)	(1,100)	1,893	1,641	(8,691)

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 2 – RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

In addition to information in Note 5, the following represents changes WSTIP's Liability and Property programs as of December 31, 2025 and 2024:

Change in Unpaid Claims Liabilities by Program	Liability Program		Property Program		All Programs	
	2025	2024	2025	2024	2025	2024
Unpaid claim and claim adjustment expenses at beginning of the fiscal year	\$ 27,175,373	\$ 20,129,087	\$ 1,842,039	\$ 918,364	\$ 29,017,412	\$ 21,047,451
Incurred claim and claim adjustment expenses:						
Provision for insured events of the current fiscal year	9,630,928	10,480,000	1,093,000	2,050,000	10,723,928	12,530,000
Changes in provision for insured events of prior fiscal years	(2,810,525)	297,188	(169,475)	(51,597)	(2,980,000)	245,591
Changes in ULAE	47,588	280,994	2,412	19,006	50,000	300,000
Total incurred claim and claim adjustment expenses	\$ 6,867,991	\$ 11,058,182	\$ 925,937	\$ 2,017,409	\$ 7,793,928	\$ 13,075,591
Payments:						
Claim and claim adjustment expense attributable to insured events of the current fiscal year	1,011,218	1,092,270	346,884	587,448	1,358,102	1,679,718
Claim and claim adjustment expense attributable to insured events of the prior fiscal years	6,326,626	2,919,626	1,046,048	506,286	7,372,674	3,425,912
Total payments	\$ 7,337,844	\$ 4,011,896	\$ 1,392,932	\$ 1,093,734	\$ 8,730,776	\$ 5,105,630
Total unpaid claim and claim adjustment expenses at the end of the fiscal year	\$ 26,705,520	\$ 27,175,373	\$ 1,375,044	\$ 1,842,039	\$ 28,080,564	\$ 29,017,412
Components of Unpaid Claims Liability:						
Open Claims Reserves - Current	\$ 8,497,547	\$ 8,223,904	\$ 583,453	\$ 806,096	\$ 9,081,000	\$ 9,030,000
Open Claims Reserves - Noncurrent	7,451,320	9,119,904	511,618	893,920	7,962,938	10,013,824
Open Claims Reserves - Total	\$ 15,948,867	\$ 17,343,808	\$ 1,095,071	\$ 1,700,016	\$ 17,043,938	\$ 19,043,824
Incurred But Not Reported (IBNR)	9,682,417	8,804,917	204,209	68,671	9,886,626	8,873,588
Unallocated Loss Adjustment Expenses (ULAE)	1,094,518	1,030,310	55,482	69,690	1,150,000	1,100,000
Unpaid claim and claim adjustment expense	\$ 26,725,802	\$ 27,179,035	\$ 1,354,762	\$ 1,838,377	\$ 28,080,564	\$ 29,017,412

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 3 – SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Washington State Public Employees Benefits Board (PEBB), Health Care Authority Last 10 Fiscal Years*										
As of PEBB's Fiscal Year Ending June 30, 2025										
PEBB - Health Care Authority	2025	2024	2023	2022	2021	2020	2019	2018	20XX	20XX
Total OPEB liability (TOL) - beginning	\$ 335,731	320,804	393,491	456,353	574,708	357,414	438,590	425,066		
Service cost	\$ 19,768	15,812	19,037	29,936	39,810	21,250	30,848	27,167		
Interest cost	\$ 13,965	12,235	14,541	10,478	13,542	13,215	18,089	16,152		
Changes in experience data & assumptions	\$ (147,725)	(10,250)	(102,695)	(100,860)	(168,173)	185,058	(126,019)	(27,639)		
Changes in benefit terms	\$ 15,406		-	-	-	-	-	-		
Benefit payments	\$ (323)	(2,870)	(3,570)	(2,416)	(3,534)	(2,229)	(4,094)	(2,156)		
Other changes	\$		-	-	-	-	-	-		
Total OPEB liability (TOL) - ending	\$ 236,822	335,731	320,804	393,491	456,353	574,708	357,414	438,590		
Covered-employee payroll**	\$ 1,572,198	1,444,729	1,184,426	1,026,263	998,761	896,897	935,800	935,800		
TOL as a % of covered payroll	% 15.06%	23.24%	27.09%	38.34%	45.69%	64.08%	38.19%	46.87%		
Notes to Schedule:										
* Until a full 10-year trend is compiled, only information for those years available is presented.										
** Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246).										
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.										

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 4 – SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Washington State Department of Retirement Systems, Public Employees' Retirement System (PERS) Program Last 10 Fiscal Years											
As of PERS Fiscal Year Ending June 30, 2025											
PERS Plan 1		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	%	.007277%	.007199%	.007158%	.007243%	.006684%	.006560%	.006396%	.007042%	.007128%	.007568%
Employer's proportionate share of the net pension liability	%	85,796	127,915	163,398	201,672	81,627	231,603	245,959	314,498	338,229	406,437
Covered payroll*	\$	1,572,198	1,444,729	1,276,183	1,184,426	1,026,263	998,761	896,897	935,800	898,841	899,755
Employer's proportionate share of the net pension liability as a % of covered payroll	%	5.46%	8.85%	12.80%	17.03%	7.95%	23.19%	27.42%	33.61%	37.63%	45.17%
Plan fiduciary net position as a % of the total pension liability	%	89.07%	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%
As of PERS Fiscal Year Ending June 30, 2025											
PERS Plan 2/3		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	%	.009422%	.009335%	.009232%	.009452%	.008580%	.008587%	.008253%	.009084%	.009168%	.009710%
Employer's proportionate share of the net pension liability	%	(359,560)	(307,735)	(378,390)	(350,554)	(854,706)	109,823	80,165	155,101	318,544	488,891
Covered payroll*	\$	1,572,198	1,444,729	1,276,183	1,184,426	1,026,263	998,761	896,897	935,800	898,841	899,755
Employer's proportionate share of the net pension liability as a % of covered payroll	%	-22.87%	-21.30%	-29.65%	-29.60%	-83.28%	11.00%	8.94%	16.57%	35.44%	54.34%
Plan fiduciary net position as a % of the total pension liability	%	105.53%	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%
Notes to Schedule:											
* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5).											

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WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI NOTE 5 – SCHEDULE OF EMPLOYER CONTRIBUTIONS

Washington State Department of Retirement Systems, Public Employees' Retirement System (PERS) Program Last 10 Fiscal Years										
As of WSTIP's Fiscal Year Ending December 31, 2025										
PERS Plan 1	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 22,315	42,073	46,559	46,093	46,369	49,398	45,866	46,397	45,256	42,974
Contributions in relation to the statutorily or contractually required contributions**	\$ (22,315)	(42,073)	(46,559)	(46,093)	(46,369)	(49,398)	(45,866)	(46,397)	(45,256)	(42,974)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll**	\$ 1,659,490	1,524,381	1,362,405	1,228,320	1,077,105	1,029,981	928,595	916,494	923,350	900,923
Contributions as a % of covered payroll	% 1.34%	2.76%	3.42%	3.75%	4.30%	4.80%	4.94%	5.06%	4.90%	4.77%
As of WSTIP's Fiscal Year Ending December 31, 2025										
PERS Plan 2/3	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 97,857	96,951	86,649	78,164	77,123	81,575	71,745	68,735	63,398	56,127
Contributions in relation to the statutorily or contractually required contributions**	\$ (97,857)	(96,951)	(86,649)	(78,164)	(77,123)	(81,575)	(71,745)	(68,735)	(63,398)	(56,127)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll*	\$ 1,659,490	1,524,381	1,362,405	1,228,320	1,077,105	1,029,981	928,595	916,494	923,350	900,923
Contributions as a % of covered payroll	% 5.90%	6.36%	6.36%	6.36%	7.16%	7.92%	7.73%	7.50%	6.87%	6.23%
Notes to Schedule:										
* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5).										
** Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions (GASB 82, Par. 8)										

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**SUPPLEMENTARY AND
OTHER INFORMATION (SOI)**

WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) – 2025
SUPPLEMENTARY AND OTHER INFORMATION (SOI)

SOI NOTE 1 – DEPARTMENT OF ENTERPRISE SERVICES (DES) SCHEDULE OF EXPENSES

	For the years ended December 31,	
	2025	2024
OPERATING EXPENSES		
Claims & Loss Adjustments	\$ 7,793,928	\$ 13,075,591
Insurance Services		
Purchased Insurance - Liability	\$ 5,543,374	\$ 3,156,877
Purchased Insurance - Property	2,984,765	2,845,914
Other Insurance Products	789,378	884,642
Total Insurance Services	\$ 9,317,518	\$ 6,887,432
Contracted Services		
Actuarial	\$ 115,300	\$ 168,000
Audit Expenses	22,395	15,273
Brokerage Fees	101,200	101,200
Legal Fees	108,491	77,106
State Risk Manager	11,720	11,720
Accounting Services	10,300	10,271
IT Services	117,223	68,826
Other Consultant Fees	88,568	25,751
Total Contracted Services	\$ 575,197	\$ 478,148
General & Administrative Expenses		
Payroll & Benefits	\$ 2,043,593	\$ 2,003,574
Risk & Loss Prevention	846,601	216,187
Training & Education	162,086	184,656
Technical & Subscription Services	187,701	98,915
Board Expenses	233,003	255,469
Staff Travel & Professional Development	168,870	130,268
Occupancy	68,861	60,402
Administrative	81,301	40,764
Total General & Administrative Expenses	\$ 3,792,016	\$ 2,990,236
Depreciation & Amortization	\$ 383,189	\$ 289,914
Total Operating Expense	\$ 21,861,848	\$ 23,721,321

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SOI NOTE 2 – LIST OF PARTICIPATING MEMBERS

Transit Agency	Board Member Representative	Role in Transit
Asotin Co PTBA	Jenny George	CEO / Transit Director
Ben Franklin Transit	Thomas Drotz	CEO / Transit Director
Central Transit System	Betsy Dunbar	CEO / Transit Director
Clallam Transit System	Cherie Huxtable	Finance
Columbia County Public Transportation	David Ocampo	CEO / Transit Director
Community Transit	Cyndie Eddy	Finance
C-TRAN	Scott Deutsch	Safety & Risk
Everett Transit	Brandon Hilby	Finance
Grant Transit Authority	Brandy Pesta	Administrative Services
Grays Harbor Transit	Ken Mehin	CEO / Transit Director
Intercity Transit	Jana Brown	Finance
Island Transit	Staci Jordan	Ridesahre Administration
Jefferson Transit Authority	Nicole Gauthier	CEO / Transit Director
Kitsap Transit	Paul Shinnors	Finance
Link Transit	Justin Brockwell	Finance
Mason Transit Authority	Amy Asher	CEO / Transit Director
Pacific Transit System	Mike Williams	Clerk of the Board
Pierce Transit	Karessa Bowman	Risk Manager
Pullman Transit	Wayne Thompson	CEO / Transit Director
RiverCities Transit	Jim Seeks	CEO / Transit Director
Skagit Transit	Crystle Stidham	CEO / Transit Director
Spokane Transit Authority	Robert Hamud	Finance
Valley Transit	Angie Peters	CEO / Transit Director
Whatcom Transportation Authority	Shonda Shipman	Finance
Yakima Transit	Greg Story	Deputy Transit Director

Elected to Executive Committee	
President	Joe Macdonald, Skagit Transit
Vice President	Karen Thesing, Pierce Transit Scott Deutsch, C-TRAN
Secretary	Miranda Nash, Jefferson Transit Authority
Small Member Rep.	Brandy Pesta, Grant Transit Authority
Medium Member Rep.	Cherie Huxtable, Clallam Transit System
Large Member Rep.	Paul Shinnors, Kitsap Transit
At-Large Rep.	Shawn Larson, Link Transit
Past President	Shonda Shipman, Whatcom Transportation Authority
Treasurer (ex-officio)	Cyndie Eddy, Community Transit

Appointed Officers	
Auditor	Matthew Branson, WSTIP Executive Director

The following provide ongoing support to WSTIP:	
Broker	Alliant Insurance Services – Newport Beach, CA
General Counsel	Law Office of Richard L Hughes – Olympia, WA
Actuary	PricewaterhouseCoopers – Seattle, WA
Accountant	Opsahl Dawson – Lacey, WA
Investments	Office of the State Treasurer – Olympia, WA
Investments & Treasury	Thurston County Treasurer – Olympia, WA

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