**USING THE SAMPLE NOTE FOR FINANCIAL STATEMENTS**

You will need to customize the note for your own purposes. If you don’t purchase a certain coverage, do not include information about that coverage. **The text included is for group purchased policies that are included in your assessment. You may buy other coverage outside of WSTIP or through our broker. You will need to know those and write those up for yourself.** If you have purchased the coverage using our broker, the policy should be listed in your 2023 Member Coverage Documents on the WSTIP website. Examples of these policies could be: builders risk policy, drone policy, workers compensation excess policies.

For example:

* Everett does not purchase property, auto physical damage, boiler and machinery, cyber, and crime.
* Pullman does not purchase property, auto physical damage, boiler and machinery, cyber, and crime.
* River Cities purchases property coverage, auto physical damage, boiler and machinery, cyber and crime. (Note: River Cities sometimes shows in named insured lists as Cowlitz Transit Authority.)
* Yakima purchases auto physical damage coverage but not property, boiler and machinery, cyber, and crime.

UIM is mandatory for all vanpool programs, but the transit agency may elect to purchase UIM on other modes. Starting in 2022, UIM is listed on the second page of your Coverage Summary for the General Liability Coverage Document.

A few members have different property and auto physical damage deductibles. These include:

C-Tran = $10,000

Pierce = $25,000

Spokane = $25,000 from Jan to Jul and $10,000 from Jul on

All other members = $5K

These members also purchased an excess auto physical damage policy:

Ben Franklin

Community

C-Tran

Intercity

Kitsap

Link

Pierce

Skagit

Spokane

Whatcom

This policy provides an additional $10 million of coverage for auto physical damage excess. The carrier is The Burlington Insurance Company: the underlying policy has $20 million in limits.

SAMPLE NOTE FOR FINANCIAL STATEMENTS

**NOTE \_\_ – RISK MANAGEMENT**

YOUR NAME is a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member governmental risk pool located in Olympia, Washington. WSTIP supplies YOUR NAME auto liability, general liability, public officials liability coverage, (fill in appropriate coverages for your agency which might include: all risk property coverage, auto physical damage coverage, boiler and machinery coverage, employee fidelity/crime coverage, and cyber liability coverage).

At the end of 2023, YOUR AGENCY retained a $x (fill in the amount appropriate for your agency) for its all-risk property coverage which includes auto physical damage. YOUR AGENCY has a $5,000 deductible for public official’s liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

WSTIP was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member transit agencies joint self-insurance, joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling, and administrative services. Transit agencies joining WSTIP must remain members for a minimum of 36 months. Members may withdraw after that time by giving six-month’s written notice and at the end of the fiscal year. Any member who withdraws will not be allowed to rejoin for a period of 36 months.

Transit authorities applying for membership in WSTIP may do so on approval of a simple majority vote of the WSTIP Board of Directors. Underwriting and rate-setting policies have been established after consultation with actuaries. WSTIP members are subject to a supplemental assessment in the event of deficiencies. If WSTIP’s assets were to be exhausted, members would be responsible for WSTIP’s liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance and excess insurance to provide the limits noted in the summary below. Carriers include Government Entities Mutual, Munich Reinsurance of America, Hallmark Specialty Insurance Company, and Allied World Assurance Company for the liability lines; Evanston and The Burlington Insurance Company for auto physical damage; American International Group Inc (AIG)/National Union Fire Insurance for the crime policy; and Beazley Cyber Services for the cyber liability policy. The excess property carrier for all risk property and boiler and machinery is Alliant Property Insurance Program provided by Alliant Insurance Services.

YOUR AGENCY has not presented any claims to WSTIP in the last year that are expected to exceed its current coverage limits through WSTIP.

Here is a summary of coverage provided in 2023:

|  |  |  |  |
| --- | --- | --- | --- |
| **RISK / EXPOSURE** |  | **COVERAGE** | **DEDUCTIBLE** |
| **GENERAL LIABILITY:**  Bodily Injury & Property Damage | $25 million | Per occurrence | $0 |
| Personal Injury and Advertising Injury | $25 million | Per offense | $0 |
| Contractual liability | $25 million | Per occurrence | $0 |
| Vanpool Driver Medical Expense Protection | $35,000 | Per occurrence | $0 |
| Underinsured Motorist Coverage (by mode) | $60,000 | Per occurrence | $0 |
| Permissive Use of a Member-Owned  Motor Vehicle | $100,000 for property damage and $300,000 for bodily injury | Per occurrence | $0 |
| Agency, rental, and personal/private vehicle occupants not covered by workers compensation or transit passengers | $100,000 for property damage and  $300,000 for bodily injury | Per occurrence  Per occurrence | $0  $0 |
| Endorsement 1:  **COMMUNICABLE DISEASE LIABILITY**: | $500,000 | Per occurrence | $0 |
| Annual aggregate for all Members or  Additional Covered Parties | $2 million |  |  |
|  |  |  |  |
| **PUBLIC OFFICIALS LIABILITY** | $25 million | Per occurrence  and aggregate | $5,000 |
| Endorsement 1:  **VIOLATIONS OF WAGE & HOUR LAWS** | $250,000 | Per occurrence | $25,000 |
| Annual aggregate per Member | $250,000 |  |  |
| **PROPERTY COVERAGE**  All perils subject to the following sublimits: | $500 million | Per occurrence, all perils and insureds/ members combined | $5,000 |
| Flood zones A & V – annual aggregate | $10 million | Per occurrence, annual aggregate | $500,000 |
| All flood zones except A & V – annual aggregate | $50 million | Per occurrence, annual aggregate | $500,000 |
| Earthquake, volcanic eruption, landslide, and mine subsidence -- | $35 million | Per occurrence, annual aggregate | 5% subject to $500,000 minimum per occurrence per unit |
|  |  |  |  |
| **AUTO PHYSICAL DAMAGE**  Auto Physical Damage (below $250,000 in value) | Fair market value |  | $5,000 |
| Auto Physical Damage for all vehicles valued over $250,000 and less than 10 years old | Replacement  Cost | Limited to $1.6 million any one vehicle | $5,000 |
|  |  |  |  |
| **BOILER AND MACHINERY** | $100 million |  | $250,000 or $350,000 depending on size of boiler |
|  |  |  |  |
| **CRIME / PUBLIC EMPLOYEE DISHONESTY** including faithful performance. Also includes: | $2 million | Per occurrence | $10,000 |
| Employee theft | $2 million | Per occurrence | $10,000 |
| Forgery or alteration | $2 million | Per occurrence | $10,000 |
| Inside the premises – theft of money and  securities | $2 million | Per occurrence | $10,000 |
| Inside the premises – robbery or safe  burglary of other property | $2 million | Per occurrence | $10,000 |
| Outside premises | $2 million | Per occurrence | $10,000 |
| Computer fraud | $2 million | Per occurrence | $10,000 |
| Funds Transfer Fraud | $2 million | Per occurrence | $10,000 |
| Money orders and counterfeit money | $2 million | Per occurrence | $10,000 |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **CYBER LIABILITY INSURANCE** |  | **Coverage** | **Deductible** |
| Annual Policy and Program Aggregate Limit of Liability for all policy holders (not just WSTIP members) | $45 million |  |  |
| Insured/Member Annual Aggregate Limit of Liability | $2 million |  | $5,000 |
| BREACH RESPONSE COSTS | $500,000 | Aggregate for each insured/member (limit is increased to $1 million if Beazley Nominated Service Providers are used) |  |
| FIRST PARTY LOSS  Business Interruption  *Resulting from Security Breach*  *Resulting from System Failure* | $750,000  $500,000 | Aggregate limit  Aggregate limit |  |
| Dependent Business Loss  *Resulting from Security Breach*  *Resulting from System Failure* | $750,000  $100,000 | Aggregate limit  Aggregate limit |  |
| Cyber Extortion Loss | $750,000 | Aggregate limit |  |
| Data Recovery Costs | $750,000 | Aggregate limit |  |
| LIABILITY  Data & Network Liability | $2 million | Aggregate limit |  |
| Regulatory defense and penalties | $2 million | Aggregate limit |  |
| Payment Card Liabilities & Costs | $2 million | Aggregate limit |  |
| Media Liability | $2 million | Aggregate limit |  |
| eCRIME  Fraudulent Instruction | $75,000 | Aggregate limit |  |
| Funds Transfer Fraud | $75,000 | Aggregate limit |  |
| Telephone Fraud | $75,000 | Aggregate limit |  |
|  |  |  |  |
| CRIMINAL REWARD | $25,000 | Limit |  |
|  |  |  |  |
| COVERAGE ENDORSEMENTS  Reputation Loss | $100,000 | Limit of Liability |  |
| Claims Preparation Costs for Reputation Loss Claims Only | $50,000 | Limit of Liability |  |
| Computer Hardware Replacement Costs | $100,000 | Limit of Liability |  |
| Invoice Manipulation | $100,000 | Limit of Liability |  |
| Cryptojacking | $25,000 | Limit of Liability |  |

Extra Cyber Limits – WSTIP members were given the choice to purchase optional extra per member limits that are in addition to the underlaying Beazley cyber insurance (or optional could replace the underlaying policy if those limits are exhausted). The following members purchased extra limits.

|  |  |  |
| --- | --- | --- |
| Member | Limit  (in excess of $2 million) | Carrier |
| Ben Franklin Transit | $2 million | Palomar Excess & Surplus Insurance Co |
| Kitsap Transit | $2 million | Palomar Excess & Surplus Insurance Co |
| Intercity Transit | $2 million | Great American Fidelity Insurance Company |
| Pierce Transit | $2 million | Palomar Excess & Surplus Insurance Co |
| Skagit Transit | $2 million | Palomar Excess & Surplus Insurance Co |
| Spokane Transit Authority | $2 million | Palomar Excess & Surplus Insurance Co |
| Valley Transit | $2 million | Palomar Excess & Surplus Insurance Co |
| Whatcom Transportation Authority | $2 million | Great American Fidelity Insurance Company |

Extra Cyber Limits

In addition to the coverage detailed in the basic Cyber Liability insurance description, YOUR AGENCY has chosen to purchase additional limits. This limit will be in excess to any limit of the basic cyber liability policy and increases the availability of insurance and/or drop down if the basic policy limits, which are shared with all policy holders, are exhausted. The extra limit is not shared with any other policy holder or WSTIP member. YOUR AGENCY elected to purchase $2 million (in excess of $2 million). The carrier is SEE LIST ABOVE.

Extra Auto Physical Damage Limits – WSTIP members were given the choice to purchase optional extra per member limits that are in addition to Pool coverage. The following members purchased extra limits.

|  |  |  |
| --- | --- | --- |
| Member | Limit  (in excess of $20 million) | Carrier |
| Ben Franklin Transit | $10 million | The Burlington Insurance Company |
| Community Transit | $10 million | The Burlington Insurance Company |
| C-Tran | $10 million | The Burlington Insurance Company |
| Intercity Transit | $10 million | The Burlington Insurance Company |
| Kitsap Transit | $10 million | The Burlington Insurance Company |
| Link Transit | $10 million | The Burlington Insurance Company |
| Pierce Transit | $10 million | The Burlington Insurance Company |
| Skagit Transit | $10 million | The Burlington Insurance Company |
| Spokane Transit Authority | $10 million | The Burlington Insurance Company |
| Whatcom Transportation Authority | $10 million | The Burlington Insurance Company |

Extra Auto Physical Damage Limits

In addition to the coverage detailed in the basic Auto Physical Damage insurance description, YOUR AGENCY has chosen to purchase additional limits. This limit will be in excess to any limit of the basic auto physical damage policy and increases the availability of insurance. YOUR AGENCY elected to purchase $10 million (in excess of $20 million). The carrier is The Burlington Insurance Company.

**Underground Storage Tank – Pollution Liability Insurance Policy**

The following members should include this description of the Underground Storage Tank - Pollution Liability Insurance Policy: Clallam, Community, Grays Harbor, Intercity, Kitsap, Link, Pacific, Pierce, Valley. Limits and deductibles are the same for all Members.

**Underground Storage Tank – Pollution Liability Insurance Policy**

YOUR AGENCY purchases an Underground Storage Tank – Pollution Liability insurance policy.  The policy term is October 1 and renews annually.  The carrier is Mid-Continent Casualty Company.  Insurance provisions on each policy were essentially the same.  The insuring agreement has coverage parts for bodily injury and property damage liability, government mandated cleanup costs liability, and defense and claims handling expenses.  The limit of coverage is $1 million per environmental incident with a $1 million aggregate and a $500,000 limit on defense per environmental incident.  YOUR AGENCY has a $25,000\* deductible per environmental incident.  Tanks must be listed to be covered.

\*Pierce Transit has a $10,000 deductible

**Covered Locations Pollution Liability Insurance Policy**

The following members should include the description below of the Pollution Liability Insurance Policy: Ben Franklin, Clallam, Columbia County Public Transportation, Community, Grant, Grays Harbor, Intercity, Island, Jefferson, Kitsap, Link, Mason, Pacific, Pierce\*, Skagit, Spokane, Valley, Whatcom. Limits and deductibles are the same for all Members.

**Covered Locations Pollution Liability Insurance Policy**

YOUR AGENCY purchases a Covered Locations Pollution Liability insurance policy.  The policy term is from April 4, 2021 to April 4, 2024.  The carrier is Beazley Eclipse.  The insuring agreement has coverage parts for covered location pollution liability coverage – new pollution conditions, covered location pollution liability coverage – existing pollution conditions, transportation pollution liability, and non-owned disposal site pollution liability.  The policy covers cleanup costs, damages, and claims expenses. The limit of coverage is $5 million each pollution condition – includes claims expenses with a $5 million aggregate including claims expenses.  YOUR AGENCY has a $100,000 deductible per pollution condition.  Locations must be listed to be covered.

\*Pierce added this policy February 27, 2023 and therefore Pierce should adjust the policy term language to: The policy term is February 27, 2023 to April 4, 2024.