**Instructions for Customizing the Sample Financial Statement Note**

The provided sample note for financial statements *must* be customized to accurately reflect your agency's insurance coverage.

Follow these steps:

1. **Review the Sample Note**: Carefully read the sample note to understand its structure and the types of information it includes. This note primarily addresses group-purchased policies included in your WSTIP assessment.
2. **Tailor to Your Agency**: You *must* adapt the sample note to your specific situation. Areas highlighted in yellow will need your review.
3. **Omit Inapplicable Coverages**: If your agency *does not* purchase a specific coverage mentioned in the sample note, *remove* the corresponding information entirely. Do not include details about coverages you don't have. For example:
   1. Central Transit, Everett, and Pullman: These agencies do *not* purchase Property, Auto Physical Damage, Boiler & Machinery, Cyber, Crime, or Terrorism coverage. Therefore, their financial statement notes should *not* include information about these coverages.
   2. Yakima: This agency purchases Auto Physical Damage coverage but *not* Property, Boiler & Machinery, Cyber, Crime, or Terrorism. Their note should only include details about the Auto Physical Damage coverage they have.
4. **Add Other Coverages**: Your agency may have purchased additional insurance coverage *outside* of WSTIP or through your broker. These policies are *not* included in the sample note and *must* be added by you.
   1. Broker-Purchased Policies: If you purchased coverage through our broker, the policy details should be available in your Member Document Portal on the WSTIP website. Retrieve the necessary information from there and create a separate section in your note for each such policy.
   2. Other Policies (e.g., Builders Risk, Drone, Workers' Comp Excess): If you have other policies not purchased through WSTIP or our broker, you are responsible for gathering the relevant details (insurer, limits, deductible, etc.) and writing the corresponding note entries yourself. Clearly label each policy (e.g., "Builders Risk Insurance").
5. **Accurate Information**: Ensure all information included in the note is accurate and up-to-date. Review your policies provided to you in the WSTIP Member Document Portal.
6. **Complete Description**: Provide a clear and concise description of each coverage, including the insurer, coverage limits, deductibles, and any other relevant details. Refer to the actual policy documents for complete information.
7. **Underinsured Motorist (UIM) Coverage**: UIM coverage is mandatory for all vanpool programs. Transit agencies may elect to purchase UIM for other modes. Your agency's UIM selection is listed on the second page of the General Liability Coverage Document, Coverage Summary page (the first two pages of the Coverage Document). Be sure to include your UIM information in the note.
8. **Deductible Variations**: Note that some members have different Property and Auto Physical Damage deductibles:
   1. C-Tran: $10,000 (July 1, 2023 - July 1, 2024) / $5,000 (July 1, 2024 - July 1, 2025)
   2. Pierce: $25,000
   3. Spokane: $10,000
   4. All other members: $5,000
9. **Named Insured Variations**: Be aware that some entities may be listed under different names. For example, River Cities may appear as Cowlitz Transit Authority on named insured lists. Ensure the name you use is correct and consistent.

**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, cyber liability coverage, and terrorism).

At the end of 2024, 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.

The Washington State Transit Insurance Pool (WSTIP) was established on January 1, 1989, under Washington state laws RCW 48.61 and 39.34. WSTIP helps member transit agencies by enabling them to:

* Pool resources for self-insurance
* Jointly purchase insurance
* Hire or contract for personnel to provide risk management, claims handling, and administrative services.

Transit agencies that join WSTIP must remain members for at least three years. After this initial period, members can withdraw by giving six months' written notice and then withdrawing at the end of the fiscal year. Agencies that withdraw are not eligible to rejoin for another three years. The Pool is governed by a Board of Directors which is comprised of designated representatives from every Member. An Executive Committee is elected at the Annual Meeting and is responsible for conducting WSTIP’s business affairs.

Transit agencies may apply for WSTIP membership, which is granted upon approval by a simple majority vote of the WSTIP Board of Directors. WSTIP's underwriting and rate-setting policies are established based on actuarial consultation. WSTIP members may be subject to supplemental assessments in the event of funding 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; Beazley Cyber Services for the cyber liability policy, and terrorism liability insurance from Price Forbes. The excess property carrier for all risk property and boiler and machinery is the 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 2024:

|  |  |  |  |
| --- | --- | --- | --- |
| 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 |  |  |
| **Endorsement 2:**  The Use of Force via a Conducted Energy Weapon | 1.5 million | Per Occurrence | $1.5 million per occurrence |
| \*Uninsured and underinsured motorist coverage was purchased on the following modes: INSERT MODES HERE | | | |

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| --- | --- | --- | --- |
| RISK / EXPOSURE |  | COVERAGE | DEDUCTIBLE |
| **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 |  |  |

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| --- | --- | --- | --- |
| RISK / EXPOSURE |  | COVERAGE | DEDUCTIBLE |
| **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 $1,750,000 any one vehicle | $5,000 |
|  |  |  |  |
| **BOILER AND MACHINERY** | $100 million |  | $250,000 or $350,000 depending on size of boiler |
|  |  |  |  |

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| --- | --- | --- | --- |
| RISK / EXPOSURE |  | COVERAGE | DEDUCTIBLE |
| **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 |
|  |  |  |  |

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| --- | --- | --- | --- |
| **CYBER LIABILITY INSURANCE** |  | Coverage | Deductible |
| Annual Policy and Program Aggregate Limit of Liability for all policy holders (not just WSTIP members) | $75 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 | $200,000 | Limit of Liability |  |
| Claims Preparation Costs for Reputation Loss Claims Only | $50,000 | Limit of Liability |  |
| Computer Hardware Replacement Costs | $200,000 | Limit of Liability |  |
| Invoice Manipulation | $100,000 | Limit of Liability |  |
| Cryptojacking | $50,000 | 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:

* Ben Franklin Transit
* C-Tran ‹
* Grays Harbor Transit ‹
* Intercity Transit
* Kitsap Transit
* Pierce Transit
* Skagit Transit
* Spokane Transit Authority
* Valley Transit
* Whatcom Transportation Authority

‹ Coverage for the period 2024-07-01 to 2025-07-01

The members listed above would edit and include this paragraph:

**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 Palomar Excess & Surplus Insurance Company.

**Extra Auto Physical Damage Limits**

WSTIP members were given the choice to purchase optional extra per member limits that are in addition to Pool-provided coverage. The following members purchased extra limits:

* Ben Franklin Transit
* Community Transit
* C-Tran
* Intercity Transit
* Island Transit
* Kitsap Transit
* Link Transit
* Pierce Transit
* Skagit Transit
* Spokane Transit Authority
* Whatcom Transportation Authority

The members listed above would edit and include this paragraph:

**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. The policy term is July 1, and renews annually. YOUR AGENCY elected to purchase $10 million in limits (in excess of the $20 million provided by the underlaying auto physical damage policy). The carrier is The Burlington Insurance Company.

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

WSTIP members were given the choice to purchase optional Underground Storage Tank - Pollution Liability Insurance Policy. The following Members purchased this coverage:

* Clallam Transit
* Community Transit
* Grays Harbor Transit
* Intercity Transit
* Kitsap Transit
* Link
* Pacific Transit
* Pierce Transit
* Valley Transit

The Members listed above would edit and include this paragraph:

**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.  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**

WSTIP members were given the choice to purchase a Pollution Liability Insurance Policy for specified covered locations. The following Members purchased this coverage:

* Ben Franklin Transit
* Clallam Transit
* Columbia County Public Transportation
* Community Transit
* Grant Transit
* Grays Harbor Transit
* Intercity Transit
* Island Transit
* Jefferson Transit
* Kitsap Transit
* Link
* Mason Transit Authority
* Pacific Transit
* Pierce Transit
* Skagit Transit
* Spokane Transit Authority
* Valley Transit
* Whatcom Transportation Authority

The Members listed above would edit and include this paragraph:

**Covered Locations Pollution Liability Insurance Policy**

YOUR AGENCY purchases a Covered Locations Pollution Liability insurance policy.  The policy term is from April 4, 2024 to April 4, 2027.  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.

**New in 2024 – Terrorism Policy**

Starting April 1, 2024, the WSTIP Board approved a group purchase for a stand-alone Terrorism policy. This policy covers terrorism and sabotage insurance including the loss of rent. Members participating in the property coverage program are part of this coverage. Those Members are:

* Asotin County PTBA
* Ben Franklin Transit
* Clallam Transit
* Columbia County Public Transportation
* Community Transit
* C-Tran
* Grant Transit
* Grays Harbor Transit
* Intercity Transit
* Island Transit
* Jefferson Transit
* Kitsap Transit
* Link
* Mason Transit Authority
* Pacific Transit
* Pierce Transit
* River Cities Transit
* Skagit Transit
* Spokane Transit Authority
* Valley Transit
* Whatcom Transportation Authority

The Members listed above would edit and include this paragraph:

**Terrorism Policy**

YOUR AGENCY purchases a stand-alone terrorism policy. The policy is underwritten by Price Forbes and has a $25,000 deductible.

Coverage Limits:

* Section 1 (Terrorism & Sabotage): $20,000,000 per occurrence and in the annual aggregate.
* Section 2 (Terrorism Liability): $10,000,000 per occurrence and in the annual aggregate.

Definitions:

* Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
* Act of Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Coverage Details:

* Section 1: covers all real and personal property of every description belonging to YOUR AGENCY or for which YOUR AGENCY is responsible to insure including property of others in their care, custody or control and loss rent.
* Section 2: provides coverage for YOUR AGENCY’s legal liability arising from acts of terrorism (see policy for complete details).