Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

COMMERCIAL INSURANCE OVERVIEW

OFFICE RISK MANAGEMENT INSURANCE STAFF

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ACCIDENTAL DEATH AND DISMEMBERMENT POLICIES

Policy Term: Various

Accidental Death and Dismemberment (A&D) provides coverage for the participants of day care programs, cooperative preschools, sports camps, and Upward Bound programs sponsored by community colleges. Other AD&D coverage includes an Athletic Insurance program for authorized participants of scheduled, college sponsored games and practices as well as Aviation AD&D which provides benefits to state employees who fly on state-owned aircraft.

APIP PACKAGE POLICY – (PROPERTY – CONTRACTORS EQUIPMENT – CYBER LIABILITY)

Policy Term July 1 – July 1

The Alliant Property Insurance Policy (APIP) package provides three coverages:

- **All risk property coverage**, including earthquake and flood, with a policy aggregate limit of $500 million and a $250,000 deductible. There is a separate deductible for earthquake and flood that is 3% of values affected at time of loss subject to a minimum of $250,000 any one occurrence.
- **The contractor's equipment coverage** provides physical damage coverage for scheduled owned or rented contractor's equipment with a policy limit of $4.8 million and a $10,000 deductible per occurrence or accident.
- **Cyber liability insurance** which is an information security and privacy insurance policy with electronic media liability coverage. It has a policy aggregate limit of $2 million and a per occurrence deductible of $500,000. In addition, the policy also pays on privacy notification costs, regulatory defense and penalties, website

media content liability, cyber extortion costs, first party data protection and first party network business interruption.

NOTE: To have this cyber liability coverage, agencies and or colleges must be on the property schedule (not all of the agencies or colleges property needs to be insured). Also, see below for information about the excess cyber insurance policy.

SPECIAL PROPERTY INSURANCE POLICY (SPIP)

Policy Term July 1 – July 1

Provides property coverage for values under $250,000. This coverage is based on underwriter approval. SPIP 2 - $1M Values - $5,000 deductible and SPIP 3 - $5M Values - $10,000 deductible.

AUTO PHYSICAL DAMAGE (COVERAGE FOR SCHEDULED VEHICLES ONLY)

Policy Term July 1 – July 1

Because the state's Self-Insurance and Liability Program (SILP) account only covers third party liability, some agencies choose to purchase commercial auto insurance to help pay for damage to state-owned vehicles. This policy helps pay for repairs to state vehicles damaged in a collision and has a $1,000 deductible.

AUTO PHYSICAL DAMAGE & LIABILITY (COVERAGE FOR SCHEDULED VEHICLES ONLY)

Policy Term: July 1 – July 1

This policy provides auto liability <u>and</u> physical damage coverage and includes $1,000 medical payments for passengers. Some colleges with Head Start programs purchase the liability coverage because they transport teens and minors not enrolled at the college. Although SILP covers auto liability, having medical payments for passengers may mitigate a tort claim.

AVIATION – AIRCRAFT AND AIRPORT LIABILITY AND HULL & MACHINERY

Policy Term: July 1 – July 1

Since the Self Insurance Liability Program excludes aviation exposures, ORM purchases commercial aviation insurance.

There are two types of aviation policies: "Ground and Flight," for aircraft that is flown, "In Motion and Ground," for aircraft that is used for maintenance instruction. In addition, some agencies and colleges purchase Hull and Machinery (physical damage).

Airport liability is to provide coverage for several airfields that the Department of Transportation owns and that are only open a few months out of the year. In addition, the policy is purchased to provide coverage to other agencies that lease hangar space and tie-down areas.

BOILER AND MACHINERY

Policy Term: March 15 – March 15

Also known as Equipment Breakdown coverage, Boiler and Machinery is excluded from the master property policy. Equipment breakdown covers the physical and financial damage that can result from an accidental equipment breakdown. Breakdown can vary from power surges and pipe bursts to boiler explosions. The deductible on this policy is $5,000.

CYBER LIABILITY (SMALL AGENCIES) POLICY

Policy Term: July 1 – July 1

Cyber Liability for small agencies has a policy aggregate limit of $5 million, a $1 million per occurrence limit and a $250,000 deductible**.** In addition, the policy also pays on privacy notification costs, regulatory defense and penalties, website media content liability, first party data protection and first party network business interruption. Ransomware is granted for all agencies – an improvement from last year's policy. The premium for 25-26 coverage is paid by the Legislature.

EXCESS CYBER LIABILITY POLICIES

Policy Term: July 1 – July 1

The state procured a 2nd Excess Cyber Liability Policy this year providing $4 million in dedicated excess limits above the $2M APIP Cyber Liability policy. It follows the coverage of the primary APIP Cyber Liability policy. It has a drop-down provision should the underlying limits of the APIP policy be exhausted by paid losses. Various sub-limits apply.

NOTE: To have this Excess Cyber Liability coverage, some of the agency/college's property must be scheduled on the APIP Property Insurance Policy.

FIDELITY BOND (EMPLOYEE DISHONESTY)

Policy Term: July 1 – July 1

RCW 43.17.100 directs that every employee shall give a surety bond and that the Director of the Department of Enterprise Services "may purchase one or more blanket surety bonds" to meet this requirement. DES ORM purchases a fidelity bond which provides a form of protection that covers policyholders for losses that they incur as a result of fraudulent acts by specified individuals. For the State of Washington, it protects the state from losses caused by the dishonest acts of its employees. This policy has a $250,000 deductible.

FINE ARTS

Policy Term: July 1 – July 1

The fine arts policy covers scheduled property consisting of objects of art or rarity or historic merit of every nature and description and their frames, crates, cases and packing materials. This property includes paintings, sculptures, rare books, art reference books, ornamentation, vases, pottery, ceramics and collections owned or on loan to you. The state's property policy excludes fine arts property from coverage. This policy has a $1,000 deductible.

FOREIGN LIABILITY PACKAGE

Policy Term: March 21 – March 21

This policy provides coverage for Foreign Commercial General Liability for third party bodily injury and property damage caused by state employees traveling abroad on state business. It also provides Foreign Business Auto Liability and Physical Damage for Hired Autos overseas while on state business. The third coverage it provides is for Foreign Voluntary Compensation and Employers Liability (including Repatriation Expense) covering state employees traveling abroad on state business.

MARINE - NON-FERRY (COVERAGE FOR SCHEDULED VESSELS ONLY)

Policy Term: July 1 – July 1

The SILP excludes all vessels greater than 26' in length or with more than 50 horsepower motors. Several agencies and colleges purchase Protection and Indemnity (liability, including Wreck removal, Collision with Fix and Floating Objects), Hull and Machinery (physical damage, as well as vessel salvage, vessel collision) and Pollution coverage (Clean-up costs)

MARINE – FERRIES (DOT, DSHS, DOC)

Policy Term: July 1 – July 1

This policy provides (1) Marine Hull & Machinery (Ferries) and (2) Protection and Indemnity coverage on a primary basis, (3) Terminal Operators Liability, (4) Property coverage (Docks, Piers, and Quays) and (5) Excess Protection and Indemnity coverage for the Department of Transportation ferries and scheduled docks, quays and terminals. Excess Protection and Indemnity coverage is also provided for the DOC/DSHS McNeil Island fleet.

OUT-OF-STATE WORKERS COMPENSATION

Policy Term: June 30 – June 30

Out-of-state workers compensation provides coverage for Washington State employees who work out of the state of Washington for more than 30 days (successive or non-successive) in another state per year.

SPECIAL EVENTS

Policy Term: As Needed

Agencies, colleges, and universities often sponsor events that may pose increased risk. Although most events can be covered by SILP, some venues require extra protection to indemnify them from any liability. Special event liability insurance (also referred to as commercial general liability) is designed to provide broad protection for situations in which the state must defend itself against lawsuits or pay damages for bodily injury or property damage to third parties. Host liquor liability is included if there is no transfer of money for alcohol.

STUDENT INTERN INSURANCE POLICIES

Policy Term: September 1 – September 1

- **Medical Student General Liability -** Provides coverage for third party bodily and personal injury (non-medical in nature) caused by medical student interns.
- **Student Medical Malpractice -** Student Medical Malpractice provides professional liability for students while they are taking courses at a state college and fulfilling their practical or intern requirements.
- **Student Intern Professional Liability** - Provides professional liability for students while they are taking courses at a state college and fulfilling their practical or intern requirements.