

What are specialized insurance coverages and how are they obtained?

By Tiffany Woods

WCIA provides Liability, Cyber and Premises Pollution Liability coverage to the membership. Members have the option of participating in WCIA's Auto Physical Damage, Property, Crime, and Equipment Breakdown programs.

WCIA can assist members in attaining specialized insurance coverages for other exposures. WCIA's broker, Aon, is available to work with the members to obtain and renew the specialized insurance needed. Under [Insurance Programs](#) on the WCIA website, is a link to fill out a form that will automatically be emailed to Aon and WCIA. An Aon representative will be in touch with members regarding next steps in obtaining a quote, renewing an existing policy, etc. To assist members, below are examples, with explanations, of common specialty insurance products.

Notary Bonds

The most popular specialized coverage purchased are notary bonds; these are obtained from a surety company and the bond is between the notary public and the State of Washington, the bond is good for four years. There is a cost for the bond and a fee charged by the state. Optional Errors and Omissions (E&O) is something that notaries often wonder if they should purchase. WCIA provides E&O coverage to the membership and this coverage is in effect when a member employee is performing duties within the scope of their employment. Therefore, purchasing the additional E&O coverage for a notary is not required but optional and determined by each member.

Cyber Insurance

WCIA provides Cyber coverage through a policy it purchases for the membership. For members that want their own Cyber policy, maybe they want higher limits and different coverage options, they can obtain a standalone Cyber policy. If a member obtains their own standalone Cyber policy, they will no longer have coverage through the policy that WCIA purchases.

Fine Arts

Members that elect to have Property coverage through WCIA also have coverage for their scheduled artwork (either listed out individually on the schedule or included within the contents value of the building in which the artwork is kept). Some members elect to purchase a standalone Fine Arts policy instead of scheduling those specific pieces on the property schedule with WCIA. For all members that have elected to do this the decision was made because they have a higher property deductible with WCIA and they wanted a lower deductible for artwork that is on loan to their entity or that is displayed outdoors. The standalone Fine Arts policy has been very cost effective for those members that have elected to go this route; they work directly with the insurance company if there are any claims.

Other Bonds

There are several types of bonds that members may want to obtain such as Commercial Surety Bonds, Public Official Bonds, Performance Bonds, Contract Surety Bonds, etc. The cost of the bond is based on the bond amount, the application, and review of underwriting data by the surety company. It is important to remember that some bonds are continuous until canceled so the member will want to be aware of the requirements for canceling the bond and communicating things with the surety company through the broker; this has been seen most often with right-of-way bonds with the state.

Excess Worker's Compensation

Some members elect to purchase this coverage which is written to indemnify the employer for Workers' Compensation claims (and Employers' Liability claims) exceeding a designated dollar amount. An application, loss data, and estimated payroll hours per job classification is required to obtain this coverage. Then every year the member will let the insurance company know the actual payroll hours per job classification for the previous year and the member will be invoiced, either by the broker or insurance company, accordingly if the hours were exceeded.

Flood Insurance

Members with property coverage through WCIA also have flood coverage for their scheduled locations. Some members, who have buildings within a flood zone, elect to purchase a standalone flood policy through the National Flood Insurance Program (NFIP) to offset the higher flood deductible for each of those locations. Members still have their coverage with WCIA, but the NFIP policy would be primary for those specific locations.

Storage Tank Liability

Underground storage tanks that hold petroleum products are required by the state to have proof of financial responsibility; this can be done by a few methods, and one is to have an insurance policy that covers leaks from the tank. If a site has an underground storage tank and an aboveground tank, then the aboveground tanks will also need to be covered on the policy; the insurance company does this because it is difficult to tell which tank caused the leak if one should happen. The state does not require financial responsibility for only aboveground tanks. WCIA does provide Premises Pollution Liability coverage to the membership and there is coverage for underground tanks; but the standalone underground tank policy is primary. If there is no standalone policy for the underground tanks, then the Premises Pollution Liability coverage does not extend to those tanks.

Watercraft

WCIA provides liability and property coverage, for those members that opt into having property coverage, and these include coverage for watercraft. However, watercrafts over a certain size are excluded from both coverages. For property coverage, watercraft under 29 feet can be covered when listed on the property schedule. Liability coverage is excluded for any watercraft over 30 feet. In those cases where the size excludes one or both coverages, members obtain standalone watercraft hull and machinery, protection and indemnity, and excess liability for their marine vessels.

The above listings are the most popular coverages obtained by WCIA members and there are many other specialized insurance coverages available.

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