Cyber liability coverage now available for the membership

By Eric Larson

As approved in the 2014 budget process, WCIA is now providing cyber insurance to the membership effective March 1, 2014, with National Union.

The importance of this insurance cannot be overstated as the consensus among experts is that cyber-attacks are likely to increase exponentially in the future. The cyber insurance includes $1,000,000 of security and privacy liability (cyber liability) limits per member subject to a $10,000,000 aggregate limit for all members. This covers the failure to protect or prevent unauthorized access to private or confidential information of others. The insurance also provides $100,000 per member for regulatory action, such as fines and penalties imposed by HIPAA for violations of privacy. There is a $25,000 per member deductible under both coverages.

The coverage has many extras including $75,000 for privacy event services should confidential data be compromised. The services consist of notification to affected individuals, identity theft call center assistance, identity restoration services, identity monitoring and victim cost reimbursement. The privacy event service is only triggered when there are over 100 affected individuals.

The policy provides $100,000 in event management coverage for forensic investigations, costs of a public relations firm, and the cost to restore or recreate electronic data in the event of a theft or violation of the security of a computer system (cyber-attack). The event management coverage has a $25,000 deductible.

For members in our property program, the actual computer equipment is covered the same as other insured property. The property program will not cover the restoring and recreating of electronic data unless it is the result of a fire or explosion. The cyber policy will only cover restoration and recreation in the event of a theft or cyber-attack. It is important for the members to backup data in the event...
Cyber liability coverage

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of loss of data from uncovered perils such as earthquake, flood, excessive heat and water damage.

The majority of the membership is covered by the WCIA crime and fidelity coverage program. The crime and fidelity program is also insured by National Union. In addition to the standard employee dishonesty coverage it also includes coverage for loss of your funds from computer fraud and funds transfer fraud.

Thanks to the members who assisted in removing individual cyber coverage exclusions initially imposed by National Union. It has been quite an undertaking, and is still a work in progress, with over a third of the initial individual exclusions being removed with fourteen others currently under reconsideration.

Members will be given another opportunity to apply to remove individual exclusions in six months. We will be advising the membership delegate shortly by email on the status of the coverage and individual member exclusions.

Training and assistance still available to members regarding cyber security

WCIA will continue to provide assistance with cyber security through on-line training and follow-up during annual reviews.

The recently launched SANS Institute Virtual Learning Environment (VLE), on-line training program will provide general cyber security education for employees at all levels. This program goes beyond just compliance and addresses the most common cyber security risks, using proven framework based on the 20 Critical Controls.

The Risk Management Reps will also continue to address any outstanding mandatory requirements from the 2013 cyber liability audit. Meeting these requirements could assist members in eliminating some of the exclusions listed in the new cyber liability policy. WCIA will also continue to provide consultation support on this topic.

The IT Technical Work Group, comprised of various members’ IT staff and consultants, will also continue to meet and further develop recommendations and best practices for cyber security based on the SANS Institute 20 Critical Controls.

Members can access the current list of the “SANS 20 Critical Controls - Quick Wins Priorities and Recommendations” on the WCIA website http://www.wciapool.org/services/RiskManagement/.
Let’s do lunch in Yakima!
By Tina Smith

WCIA is trying a new luncheon meeting format for the Full Board meeting in Yakima, on May 7.

Members attending the preconference sessions of the Labor Relations Institute or the “Mayor as CEO” workshop at the Yakima Convention Center are encouraged to walk across the street and join us for their lunch break.

During the meeting, the first WCIA Risk Reduction Grants will be announced to the membership. The Grant Committee is working hard to fast-track these awards (see the article on page 5 for more information).

Two training sessions will also be available to WCIA members around the luncheon. Beginning at 10 a.m., Beth Kennar of Summit Law Group will provide training on employment law issues. The Executive Committee will meet during this first session at 10:30 a.m. Following the lunch meeting, Ken Harper of Menke Jackson Beyer, LLP will speak on land use issues beginning at 1:30 p.m.

Attendance of the meeting and/or the training sessions will meet COMPACT attendance and training requirements. Members must remember to sign in to receive these credits.

These changes will hopefully increase the overall attendance of the board for the meeting. While the WCIA By-Laws permit the Executive Committee to act on behalf of the board in the absence of a quorum, we are always looking for creative ways to encourage membership participation in this meeting.

Registration for the board meeting and the two trainings is available on our website. Don’t forget, members must use their individual login to register for the meeting, and training registration is available on the website training calendar.

Delegates and alternates will be notified when the agendas are posted to the website for both the Full Board and Executive Committee meetings.

Potential liability risks of wine and beer vendors at farmers markets
by Tanya Crites

New in 2014, the Washington State Liquor Control Board (WSLCB) has authorized the sale and sampling of products produced by Washington wineries and breweries (microbreweries and some domestic breweries) at local farmers markets.

Though the new laws specify all products purchased are for off-premises consumption, WCIA has very real concerns about the liability exposure to our members who operate farmers markets, or host farmers markets on member owned property, that will allow any consumption of alcohol on their premises. One of the greatest exposures involves farmers market patrons becoming intoxicated and causing injury or death to others, or themselves.

Photo provided by the City of Issaquah

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...WCIA recommends that farmers markets operated by our members or hosted on member property carefully consider all of the potential risks involved in the sampling and selling of beer and wine before deciding to take on this exposure.

Even when the risk is contractually transferred to the winery or brewery vendor by requiring hold harmless agreements, Commercial General Liability insurance and Liquor Liability coverage, a serious accident could still expose the operator of the farmers market and owner of the property to a lawsuit. For this reason, WCIA recommends that our members who operate farmers markets, or host them on their property, carefully consider all the potential risks involved in the selling and sampling of beer and wine before deciding to take on this exposure.

The following is a summary of how the law works:

The WSLCB provides authorization to the farmers market and endorses qualified in-state wineries and breweries who wish to sell their product at a farmers market. Both parties must apply to WSLCB for their respective authorization or endorsement (RCW 66.24.170, RCW 66.24.175, RCW 66.24.240 and RCW 66.24.244).

No more than three wineries or breweries combined may offer samples at a qualifying farmers market per day. Samples must be two ounces or less. A winery or brewery may provide a maximum of two ounces of wine or beer to a customer per day. A winery or brewery may advertise that it offers samples only at its designated booth, stall or other designated location at the farmers market.

Customers must remain at the designated booth, stall or other designated location while sampling beer or wine. Winery and brewery licensees and employees who are involved in sampling activities must hold a class 12 or class 13 alcohol server permit. A winery or brewery must have food available for consumers to consume while sampling beer or wine, or must be adjacent to a vendor offering prepared food.

The only statutory penalty for wineries or breweries that commit a public safety violation in conjunction with tasting activities is the possible revocation by the WSLCB of the endorsement to sell at farmers markets and possible administrative action against the winery or brewery license (RCW 66.24.175). This does not seem to provide much incentive for rule following.

If a member decides to allow winery or brewery vendors in its own farmers markets, or those located on member owned property, WCIA makes the following recommendations:

- The statutory regulations and WSLCB requirements must be followed by both the farmers market and the vendors.
- Members require that all participating wineries and breweries obtain, maintain and provide proof of Commercial General Liability insurance, including liquor liability and completed operations coverage with limits not less than $1,000,000 each occurrence and $2,000,000 general aggregate, which names the member as an additional insured. Higher liability coverage limits may be appropriate for this activity.
- Members require winery and brewery vendors to contractually agree to indemnify, defend and hold the member harmless for their activity at the farmers market.

For more information on winery and brewery vendors at farmers markets, please contact the WSLCB [http://www.liq.wa.gov/licensing/farmers-markets](http://www.liq.wa.gov/licensing/farmers-markets). WCIA encourages members to consult with their assigned Risk Management Representative for help with evaluating risks in member operations and activities.
WCIA offers Risk Reduction Grants

By Lisa Roberts

WCIA is offering Risk Reduction Grants for 2014! Applications were sent out to all member Delegates on March 19, and submittals were returned by April 18. All Grant information, including grant criteria, application and reimbursement forms, can be found online at the Risk Management landing page of the WCIA website: http://www.wciapool.org/services/RiskManagement

In January 2014, the Executive Committee authorized a Risk Reduction Grant Program in the amount of $130K and the Risk Reduction Grant Committee. Chairperson Nancy Abell, City of Marysville, and committee members Jay Burney, City of Olympia; Kay Kammer, City of Battleground; Emily Schuh, City of Anacortes; Steve Johnson, City of Hoquiam; Kathy Joyner, City of Kirkland; and Arlene Fisher (Executive Board liaison) City of Mountlake Terrace met February 13 to develop the grant criteria, which were approved by the Executive Committee on March 14.

Mitigation Grants:
- For the reduction of liability and property exposures.
- WCIA will give priority consideration to projects that support the WCIA COMPACT and Risk Management Goals.
- It is encouraged that all mitigation grants include a matching of funds or in-kind labor/services.
- Mitigation grants are not intended to replace routine maintenance.

Staff Development Grants:
- For education or staff development that is directly related to risk management, such as attendance at AGRIP or PRIMA conferences or the PRIMA Institute, as determined by the Grant Committee.

The committee chose not to impose mandatory matching funds, or limit the amount requested or number of grants that can be submitted for this first year. All applicants for either mitigation or staff development grants must be WCIA members in good standing with the WCIA COMPACT and have no withdrawal notice on file.

The committee met on April 24 to review all grant applications and make award decisions. Grant recipients were notified on April 25 and all awards will be announced at the WCIA Full Board meeting in Yakima in May.

WCIA trainings will meet new legislative requirements

By Patti Crane

The new bill ESB 5964 entitled Open Government Training Act requires Public Officials and Records Officers to complete training on the Open Public Meeting Act (OPMA), Public Records Act (PRA) and records retention. The new law takes effect on July 1, 2014.

Early indications from the state Attorney General are that the minimum standards to meet the new requirements will not be overly burdensome. It is likely that a properly structured training event consisting of twenty minutes or more of training in each topic area would meet these standards. WCIA sponsored trainings will definitely meet these new standards with ease.

WCIA is working with multiple associations to provide regional trainings and speaker sponsorship on OPMA and PRA topics. In addition, members can also request on-site Public Officials OPMA trainings, which will incorporate a public records element.

Members are encouraged to capitalize on all opportunities and available resources to meet the new requirements, including the Attorney General’s Office online videos and power point presentations on OPMA and PRA, records retention training offered by Washington State Archives, and MRSC training opportunities.
Membership
News In Brief

Congratulations go to...!
Executive Committee member Arlene Fisher, who was recently chosen as the new City Manager for the City of Mountlake Terrace. Because Arlene is still with a WCIA member city, she will retain her newly elected position on the Executive Committee.
City Clerk Carol Etgen, who is the Alternate for the City of Fife, was just awarded Clerk of the Year by her peers at the Washington Municipal Clerk's Association conference.

No Travel Reimbursements for May
Staff has received several questions regarding Full Board Travel Reimbursements for the May meeting. At this time, travel reimbursements are only available for the January and October meetings due to the increased number of action items on those agendas.
Applications will be available for the meeting on October 17 in Tukwila. Check the website and "The Authority" for more information.

Communications survey is on its way
In our ongoing mission to create the most efficient flow of communication from WCIA to our members, we will be fielding a survey beginning this month to identify and refine our direction, and channel usage for future outreach and correspondence. This will help us in making sure that we are optimizing our member engagement through both content and preferences. Stay tuned, your participation will be greatly appreciated!