

Self-Insured Coverage Document
Auto Physical Damage

2016



Washington Cities Insurance Authority

Self-Insured Coverage Document

Auto Physical Damage

APDCov2016

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This document is not an insurance policy. The Washington Cities Insurance Authority (WCIA) is not an insurance company. This document is an agreement by WCIA and its member participating in this Auto Physical Damage program to pay all covered losses subject to the limits, terms and conditions of this Agreement and any addenda attached. Various provisions in this agreement restrict coverage. Read the entire agreement carefully to determine rights, duties and what is and is not covered.

Throughout this agreement, the words "you" and "your" refer to the Member shown in the Property Joint Protection Program that is participating in the Auto Physical Damage Program. The words "we," "us" and "our" refer to WCIA.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section IV - Definitions.

I. COVERED AUTOS

This Agreement covers autos and equipment, being the property of the Member or similar property of others for which the member is responsible, per Member Schedule of Values on file with WCIA.

We also cover owned "autos" you acquire after the policy if you report it to us within 30 days after you acquire it.

We also cover any "auto" you rent or lease if you tell us within 10 days after you rent or lease it.

A. PROPERTY EXCLUDED

This Agreement does not cover:

1. Aircraft, watercraft, mobile homes, house trailers;
2. Property while waterborne (except during ferry operations);
3. Tires or tubes unless the loss or damage is caused by fire, windstorm, theft or vandalism or is coincidental with other loss or damage covered by this agreement;
4. Portable buildings and improvements and betterments to buildings;
5. Plans, blueprints, specifications, designs, records or any similar property;
6. Property while airborne except while in due course of transit.

II. PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. We will pay for direct physical loss of or damage to the scheduled vehicle or its equipment under:
 - a. Comprehensive Coverage. From any cause except:
 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.
 - b. Specified Causes of Loss Coverage. Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;

- (4) Flood;
 - (5) Mischief or Vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto."
- c. Collision coverage. Caused by:
- (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.

2. Towing.

We will pay for towing and labor costs incurred each time a covered "auto" is disabled as a result of a covered loss. However, towing will only be provided to the closest location that can provide the appropriate repairs.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles.

We will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

B. EXCLUSIONS

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."
- a. Nuclear Hazard.
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - b. War or Military Action.
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. Other Exclusions.
- a. We will not pay for "loss" to any of the following:
 - (1) Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto."
 - (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
 - (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor its antennas and other accessories, unless permanently installed.
 - b. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this agreement:
 - (1) Wear and tear, freezing, mechanical or electrical breakdown.
 - (2) Blowouts, punctures or other road damage to tires.

C. LIMIT OF COVERAGE

1. The most we will pay for "loss" in any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. With respect to autos valued \$25,000 or greater and if the Member's Schedule of Values on file with WCIA specifies replacement cost coverage, we will:
 - a. Pay for the cost of repairing the damaged or stolen property with a part or parts of like kind and quality, without deduction for depreciation; or
 - b. Pay for cost to replace the entire covered auto and its permanently attached equipment at the time of loss with a comparably new auto and comparably new attached equipment.

D. DEDUCTIBLE

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any deductible shown in the Declarations does not apply to "loss" caused by fire, lightning or glass repair.

III. LOSS CONDITIONS

A. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

B. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

1. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:
 - a. How, when and where the "accident" or "loss" occurred;
 - b. The "Member's" name and address; and
 - c. To the extent possible, the names and addresses of any injured persons and witnesses.
2. Additionally, you and any other involved "Member" must:
 - a. Assume no obligation, make no payment or incur no expense without our consent, except at the "Member's" own cost;
 - b. Immediately send us copies of any demand, notice, summons or legal paper received concerning the claim or "suit."
 - c. Cooperate with us in the investigation, settlement or defense of the claim or "suit."
3. If there is "loss" to a covered "auto" or its equipment you must also do the following:
 - a. Promptly notify the police if the covered "auto" or any of its equipment is stolen.
 - b. Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

- c. Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- d. Agree to examinations under oath at our request and give us a signed statement of your answers.

C. LOSS PAYMENT - PHYSICAL DAMAGE COVERAGES

At our option we may:

1. Pay for, repair or replace damaged or stolen property;
2. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
3. Take all or any part of the damaged or stolen property at an agreed or appraised value.

D. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Agreement has rights to recover damages from another, those rights are transferred to us. That person or organization must do nothing after "accident" or "loss" to impair them.

General Conditions:

1. Bankruptcy.

Bankruptcy or insolvency of the "Member" will not relieve us of any obligations under this Agreement.

2. No Benefit to Bailee - Physical Damage Coverages.

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Agreement.

3. Other Insurance.

- a. For any covered "auto" you own, this Agreement provides primary coverage. For any covered "auto" you don't own, the coverage provided by this Agreement is excess over any other collectible insurance.
- b. When this Agreement and any other Coverage Form or insurance policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Coverage of our Agreement bears to the total of the limits of all the Coverage Forms and insurance policies covering on the same basis.

4. Policy Period, Coverage Territory.

Under this Coverage, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

IV. DEFINITIONS

A. ACCIDENT

"Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."

B. AUTO

"Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads but does not include "mobile equipment."

C. BODILY INJURY

"Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. MEMBER

"Member" means any municipal corporation participating in the Auto Physical Damage Program as identified in the Auto Physical Damage Joint Protection Program. Except with respect to the Limit of Coverage, the coverage afforded applies separately to each Member who is seeking coverage or against whom a claim or "suit" is brought.

E. LOSS

"Loss" means direct and accidental loss or damage.

F. MOBILE EQUIPMENT

"Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
5. Vehicles not described in paragraphs 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in paragraphs 1, 2, 3 or 4 above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;

- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

G. PROPERTY DAMAGE

"Property damage" means damage to or loss of use of tangible property.

H. SCHEDULE OF VALUES

"Schedule of Values" means the list on file with WCIA of a Member's Autos and their attached equipment submitted by each Member to WCIA describing each Auto to be covered by this agreement and the Members election as to each Auto to cover its replacement or repair at either its actual cash value or its cost of replacement as selected by the Member.

I. SUIT

"Suit" means a civil proceeding in which damages because of "bodily injury" or "property damages" to which this coverage applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

J. TRAILER

"Trailer" includes semi-trailer.