
INSURANCE ALERT

Important Reminders

- Is your agency or college outside of the state government information technology network? If so, don't forget that you must have a username to access the soon-to-be-ready Risk Management SharePoint site via [Secure Access Washington \(SAW\)](#). The SharePoint site will make its debut later this year. You can [sign up for SAW](#) online. Once you have done so, please send [Kim Haggard](#) your chosen username.
- Have you had a change of Risk Manager or insurance contact? If so, please send your updates to [Kim Haggard](#).



Insurance Alert – New Property Carriers

On October 1, the master property program will move to a new insurance policy. The new policy covers the state's scheduled property, the State Route 520 Bridge, and provides some cyber liability coverage. The Public Entity Property Insurance Program (PEPIP) policy was formed to address unique property insurance needs faced by public entities. PEPIP offers significantly broader terms and, more importantly, is less expensive than previous property placements.

Benefits your agency or college will see when moving to PEPIP on October 1 include:

- AM Best "A" Rated Carriers.
- A 21 percent reduction in the rate applied to your insured values.
- An increase in "All Risk" Limit as follows:
 - Master Program: from \$100M to \$500M.
 - SR 520: from \$305M to \$400M.
- Elimination of the waiting period on SR 520 Business Income Deductible.
- \$10M additional Earthquake coverage on Master Program.
- \$100M Business Interruption and \$50M Extra Expense coverage on Master Program.
- Cyber liability general coverage (\$100K Deductible):
 - \$2M Information Security & Privacy Liability.
 - \$500K Privacy Notification Cost, \$1M if carrier's preferred vendors are utilized.
 - \$2M Regulatory Defense and Penalties.
 - \$2M Website Media Content Liability.
 - \$2M Cyber Extortion Loss.
 - \$2M Data Protection Loss and Business Interruption Loss.

Also important: The PEPIP policy offers "automatic" coverage on newly acquired properties valued at less than \$25M with **no** additional premium when property is added after the October

1, 2014 renewal date. Likewise, properties less than \$25M that are removed from the policy after the renewal date **will not** receive a premium return. However, the amount of the premium reduction that agencies and colleges will receive under this new policy should offset this change.

Our broker, Alliant Insurance Services, Inc. has secured PEPiP coverage effective October 1 to June 30, 2015. After this initial nine-month period, PEPiP will renew each year on July 1 for a 12-month period. This means that for the next renewal we will start the renewal information collection process sooner.

Cyber Liability Program – Update

Reporting Cyber Liability Incidents: Agencies should establish Cyber Liability Incident response procedures that include reporting and assessment of Information Technology (IT) Security incidents or loss of computing assets that occur.

The purpose of this reporting and assessment is to determine whether the IT security incident created the potential for a cyber liability loss. We recommend agency risk managers work with their IT departments to establish a process for this determination. When an IT security incident is found to present a risk of cyber liability, the agency should report this to the Office of Risk Management. If you have any questions please, contact [Doug Selix](#) at (360) 407-8081.