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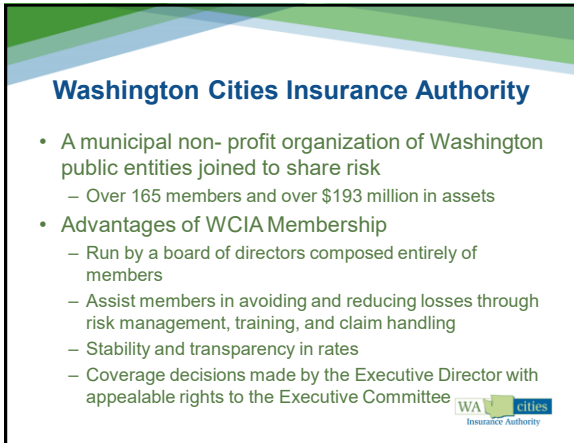
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# Insurance Market Update

- Insurance is a cyclical industry prone to large pricing deviations from year to year
  - 2022 WCIA's liability reinsurance increased 68% for less coverage with \$0 claims paid (no loss history)
  - WCIA's overall reinsurance rate has increased 483% from 2014 – 2024
  - 2025 WCIA's primary reinsurer wanted to increase their attachment point to \$5M while also lowering the limits offered
    - WCIA's reinsurance coverage decreased but overall costs still increased

The diagram illustrates the cyclical nature of the insurance market. It features two circular nodes connected by curved arrows forming a clockwise loop. The top node is labeled 'Hard Market' and lists characteristics: 'Tougher Underwriting', 'Reduced Capacity', 'Higher Premiums', and 'Restricted Coverage'. The bottom node is labeled 'Soft Market' and lists characteristics: 'Easier Underwriting', 'Increased Capacity', 'Lower Premiums', and 'Broader Coverage'. The arrows indicate a transition from Hard Market to Soft Market and then back to Hard Market.

**Hard Market**  
Tougher Underwriting  
Reduced Capacity  
Higher Premiums  
Restricted Coverage

**Soft Market**  
Easier Underwriting  
Increased Capacity  
Lower Premiums  
Broader Coverage

WA   
Insurance Authority

- 
- The diagram shows a circular flow between two market states:
- Hard Market:**
    - Tougher Underwriting
    - Reduced Capacity
    - Higher Premiums
    - Restricted Coverage
  - Soft Market:**
    - Easier Underwriting
    - Increased Capacity
    - Lower Premiums
    - Broader Coverage
- Arrows indicate a clockwise cycle from Hard Market to Soft Market and back.

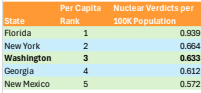
## WCIA – Market Update (Liability)

- Proliferation of nuclear verdicts (National)
  - U.S. Chamber of Commerce Institute for Legal Reform
  - Rising trend nationwide
  - Washington #3 per capita and rising
  - Legislatively Washington is moving in a direction that will make the state more prone to nuclear verdicts (pre-judgment interest)

Top 10 States by Cumulative Nuclear Verdicts 2013-2022


State	Per Capita Rank	Nuclear Verdicts per 100K Population
Florida	1	0.939
New York	2	0.864
Washington	3	0.683
Georgia	4	0.612
New Mexico	5	0.572

- ### Top 10 States by Cumulative Nuclear Verdicts 2013-2022



## Recent Public Cases (Washington)

- WA State pays \$98.3M verdict wrongful death of two children (July 2020 upheld Apr 2023)
- Spokane County jury awards \$20M defamation case for former sheriff's sergeant (Jan 2023)
- King County pays \$12M failure to evict dangerous tenant (Dec 2023)
- UW pays \$16M verdict over racism/discrimination hostile workplace (Dec 2023)
- City of Seattle pays \$10M settlement to protesters from police use of excessive force (Jan 2024)
- Jury awards \$13M to woman from City of Seattle sidewalk fall
- Jury awards cyclist \$40.7M crash on speed bump – UW 40% fault pays \$16M (Oct. 2024)
- Seattle Schools pays \$16M sexual assault lawsuit (Oct. 2024)
- Town of Steilacoom settles \$15M drowning of day camp minor (June 24)



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## Avoiding Liability

Individuals can receive absolute immunity for legislative activities

- Adoption of budgets, ordinances, and resolutions

Only within context of council meeting as a whole and not acting as an individual



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## Avoiding Liability

Land Use

- Use of Hearing Examiners
  - Less issues with appearance of fairness doctrine
  - Eliminates many arbitrary and capricious decision allegations
- Do not insert yourself in the process
  - Westmark v. Burien, Mission Springs v. Spokane
- Development Agreements
  - Held to contractual law and remedies which may not be covered by WCIA
  - You thought you had an expiration date...



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## Avoiding Liability

### Personnel

- Stay in legislative role
  - Set policies, budgets, municipal codes
  - Do not to stray into Executive role
    - Management of employees, hiring/firing, discipline
- Harassment and Discrimination
  - Held to same standard as City employees
    - Can be sued individually
    - Know the law and your policies
- Report to Executive
  - If you witness behavior or are made aware of problem by employee

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## Avoiding Liability

### Negligent Misrepresentation

- Do not make specific promises or assurances
- Refer specific questions to staff
- Do not take matters into your own hands

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## Avoiding Liability

### Defamation

- If the statement/opinion is regarding a legislative concern you have immunity
- Careful discussing or naming individuals
  - Are they a public official, staff or private individual?
  - Any untruth gives rise to liability

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## Avoiding Liability

### Public Works

- Do not “politically engineer”
  - Crosswalks, Signs, Speed Limits
    - Ask for staff input off the record
    - Have staff respond to public requests
  - Joint and Several Liability
- Avoid promises, assurances and inflammatory statements

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## Avoiding Liability

### Do not leak Executive Session information

- Resist the temptation to share
- Disclose conflicts prior to session and recuse yourself
- Claims and Litigation
  - Can jeopardize defense
  - Possible sanctions imposed

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## Avoiding Liability

### Be mindful of written communications

- Email/Social Media
  - Always use City email address, not personal
    - Public record and discoverable in litigation
  - Is your social media account personal? For election activity? To discuss City business?
    - Do you allow comments and discussions?
      - » Possible Public Forum creation with First Amendment Protections

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