

**WAC 480-51-070 Insurance. (1) Liability and property damage insurance or surety bond.**

(a) Prior to the commission issuing a certificate, and prior to the commission issuing a registration to a common carrier ferry operating passenger-carrying vessels, each applicant shall file with the commission evidence of currently effective liability and property damage insurance or a surety bond, the form of which is set out below, written by a company authorized to write such insurance or bond in the state of Washington, covering each vessel to be used under the certificate or registration granted. Coverage shall be for not less than the following amounts:

- \$100,000 for any recovery for personal injury by one person, and
- \$1,000,000 for all persons receiving personal injury and property damage by reason of one act of negligence, and
- \$50,000 for damage to property of any person other than the insured, or
- \$1,000,000 combined bodily injury and property damage liability insurance.

(b) Evidence of insurance shall be submitted on either a certificate of insurance, filed in triplicate with the commission, or a written binder issued by an insurance agent or insurance company evidencing the coverage as required above. If a binder is submitted, it shall be effective for not longer than sixty days, during which time the operator must file the required certificate of insurance.

(c) Form of surety bond.

*"Know all persons by these presents:*

*That we \_\_\_\_\_ of the City of \_\_\_\_\_, State of Washington, as principal, and \_\_\_\_\_, a corporation organized and existing under and by virtue of the Laws of the State of Washington under the laws thereof, as surety, are held and firmly bound unto the State of Washington, in the just and full sum or lawful money of the United States of America, upon each and every vessel operated by the principal herein in the amounts as set out in the schedule above for the payment of which well and truly to be made, do hereby bind ourselves, or heirs, executors, administrators, successors and assigns, severally by these presents.*

*Signed, sealed and dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_.*

*This bond is written in pursuance of and is to be construed in accordance with chapter 81.84 RCW, and the rules and regulations of the Washington Utilities and Transportation Commission, adopted thereunder; is to be filed with the State for the benefit of persons who sustain damage or injury from the negligent operations of any and all vessels operated by the company (principal herein) under and by virtue of its certificate or registration granted by the Washington Utilities and Transportation Commission, and Tariffs and Time Schedules filed thereunder.*

*SCHEDULE*

- \$100,000 for any recovery for personal injury by one person and*

\$1,000,000 for all persons receiving personal injury and property damage by reason of one act of negligence, and  
 \$50,000 for damage to property of any person other than the insured, or  
 \$1,000,000 combined bodily injury and property damage liability.

*Now, therefore, the condition of this obligation is such that if the said principal in accordance with the provision of chapter 81.84 RCW, shall pay all damages for personal injuries which may be sustained by any person or any damage to property of any person other than the assured, by reason of any act of negligence on the part of the said principal, its agents or employees in the operation of vessels in transporting persons and property for compensation, under its Certificate of Public Convenience and Necessity or registration issued by the Washington Utilities and Transportation Commission, and Tariffs and Time Schedules filed thereunder; then this obligation to be void, otherwise to remain in full force and effect.*

*This bond may be cancelled by the surety at any time by filing written notice with the Washington Utilities and Transportation Commission stating when the cancellation shall be effective, but in no case shall such cancellation notice be effective until thirty (30) days after the receipt of such notice by the Washington Utilities and Transportation Commission.*

\_\_\_\_\_  
*Principal*

\_\_\_\_\_  
*Surety"*

(2) **Insurance, continuance of.** Proper evidence of continued insurance or surety bond shall be filed with the commission not less than ten days prior to the termination date of coverage then on file so there is no question of continuous coverage as required by law.

(3) **Insurance termination.**

(a) All insurance policies issued under the requirements of chapter 81.84 RCW shall provide that the coverage shall continue in full force and effect unless and until cancelled by at least thirty days' written notice served on the insured and the Washington utilities and transportation commission by the insurance company. The thirty days' notice period runs from the date the notice is actually received by the commission. Exception: Binders may be cancelled on ten days' written notice.

(b) Notice of cancellation or expiration shall be submitted in duplicate and shall not be submitted more than sixty days before the intended termination date, except that binders may be cancelled by written notification from the insurance agency or insurance company on ten days' written notice.

(4) **Involuntary suspension—Cancellation.**

(a) **Involuntary suspension.** No certificate holder and no registered passenger-carrying common carrier may operate in this state without the required insurance. Any certificate holder or registered passenger-carrying common carrier who fails to maintain evidence that its insurance is in current force and effect shall have its certifi-

cate or registration suspended by operation of law beginning with the time of the failure.

(i) A person whose certificate or registration is suspended may secure reinstatement of the same by correcting conditions leading to suspension.

(ii) A certificate or registration holder may contest suspension by requesting a brief adjudication or an adjudication.

(iii) The suspension shall last until the cause of the suspension is cured and the certificate or registration is reinstated or until the certificate or registration is cancelled.

(b) **Cancellation.**

(i) The commission may cancel a certificate or registration for failure to demonstrate that the holder has corrected the conditions leading to suspension with the time defined in the order of suspension.

(ii) The commission will hold a hearing prior to canceling a certificate or registration, except when cancellation results from failure to correct causes of a suspension in which an adjudicative or brief adjudication was held or was available to the certificate or registration holder.

(5) All persons holding certificates on the effective date of this rule shall, within sixty days of the effective date, file evidence of proper insurance with the commission.

[Statutory Authority: RCW 81.84.070, 1993 c 427, 1995 c 361 and RCW 80.01.040(4). WSR 95-22-001 (Order R-435, Docket No. TS-941485), § 480-51-070, filed 10/18/95, effective 11/18/95.]