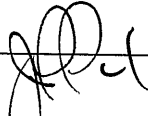


# M · E · M · O

## Alameda Corridor Transportation Authority

February 12, 2020

<b>To:</b>	Governing Board
<b>From:</b>	James P. Preusch, Interim Chief Executive Officer 
<b>Subject:</b>	2020-2021 Renewal of Insurance Coverage (APPROVAL)

### Recommendation:

Authorize the Interim Chief Executive Officer to:

- 1) Negotiate and accept the recommendations of Willis Towers Watson (Willis), ACTA's Broker of Record, for placement of required insurance for the period April 15, 2020 through April 14, 2021; and
- 2) Bind insurance, on behalf of ACTA, in accordance with the recommendations of Willis.

### Discussion:

Each year ACTA's Broker of Record reviews ACTA's insurance needs and solicits bids for insurance coverage on behalf of ACTA. The current insurance policies will need to be renewed effective April 15, 2020. ACTA carries eight types of insurance coverage, as shown on the attached table of coverage for the April 15, 2019 renewal. Willis is expected to provide ACTA with a complete insurance renewal recommendation in mid-March 2020.

### Renewal Process:

ACTA's insurance year begins on April 15 and ends on April 14 of each year. ACTA purchases insurance policies covering Corridor Property, Railroad Liability, Auto Liability, Office Property, Workers Compensation, Directors & Officers Liability and Crime Insurance. Certain policies, including Corridor Property Insurance with an associated Business Interruption Rider are required by the terms of the Master Trust Indenture. Under the terms of the Use & Operating Agreement, the Railroads reimburse ACTA for premiums for the Corridor Property and Railroad Liability policies.



On January 23, 2020, ACTA staff met with representatives of ACTA's Broker of Record, Willis to begin the annual insurance policy renewal process. During the preliminary meeting, Willis indicated that, as a result of market factors, insurance premiums can be expected to increase by about 12% to 18% this year. ACTA, with the assistance of Willis, will update renewal applications and/or complete new applications. Willis will present ACTA's insurance needs, business model and financial credentials to appropriate insurance markets to solicit coverage proposals on ACTA's behalf. Willis will evaluate the proposals by coverage type and recommend proposed coverage to ACTA. Following ACTA's initial review of the proposal, ACTA and Willis will meet with the Railroads to discuss the policy proposals for the Corridor Property and Railroad Liability policies. Following Railroad approval and ACTA acceptance of the renewal proposals, ACTA's CEO or CFO, based on the Board authorization requested by this memo, will bind coverage for the 2020-2021 insurance year. Willis is compensated directly by ACTA and receives no commission compensation from any insurance company or provider.

At a future Board meeting, staff will provide the Board with a summary of the annual insurance coverage as bound.

**Co-General Counsel:**

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.

Transmittal:

Transmittal 1 - 2019 ACTA Statement of Account Renewal Premium Spreadsheet