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Alameda Corridor Transportation Authority

March 17, 2022

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	<i>2022-2023 Renewal of Insurance Coverage (APPROVAL)</i>

Recommendation:

It is recommended that the Governing Board authorize the Chief Financial 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, 2022 through April 14, 2023; 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, 2022. ACTA carries eight types of insurance coverage, as shown on the attached table of coverage for the April 15, 2021 renewal. Willis has provided ACTA with a complete insurance renewal recommendation in Transmittal 1.

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 27, 2022, ACTA staff met with representatives from 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 10% to 15% this year. ACTA, with the assistance of Willis, completed the insurance applications for the perspective carriers. Willis presented ACTA's insurance needs, business model and financial credentials to appropriate insurance markets to solicit coverage proposals on ACTA's behalf. Willis has evaluated the proposals by coverage type and recommended proposed coverage to ACTA. On March 1, 2022, Willis presented the renewal recommendation to ACTA. On March 8, 2022, ACTA and Willis met with the Railroads to discuss the policy proposals for the Corridor Property and Railroad Liability policies to obtain confirmation of coverages to protect the corridor. Railroads have approved the proposals. Following ACTA acceptance of the renewal proposals and based on the Board authorization requested by this memo, ACTA's CEO or CFO will bind coverage for the 2022-2023 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 - 2021 ACTA Renewal Premium