


M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: February 24, 2023
From: Kevin L. Scott, Chief Financial Officer 
Subject: INFORMATION on 2023-2024 Renewal of Insurance Coverages

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, 2023. ACTA carries eight types of insurance coverage, as shown on the attached table of coverage for the April 15, 2022 renewal 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 19, 2023, ACTA staff met with representatives from ACTA's Broker of Record, Willis ("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 12% this year. With Willis' assistance, ACTA completed the insurance applications for the prospective carriers. 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 examine the proposals by coverage type and recommend proposed coverage to ACTA. ACTA and Willis will meet with risk managers from both railroads to review the coverage. Upon concurrence from both railroads, ACTA will bring the final portfolio to the Governing Board to obtain authorization to bind the coverage. Willis is compensated directly by ACTA and receives no commission compensation from any insurance company or provider.

Budget Impact:

Costs for the premiums are included in the FY23 Budget. There is no impact to the FY23 Budget for the renewal.





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ITEM #04

Co-General Counsel Review:

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

Transmittals:

Transmittal 1 - 2022 Premium Summary