


M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: May 16, 2024
From: Kevin L. Scott, Chief Financial Officer 
Subject: INFORMATION on 2024-2025 Renewal of Insurance Coverages

Discussion:

Each year, ACTA's Broker of Record reviews ACTA's insurance needs and solicits bids for insurance coverage on its behalf. The recommended insurance policies were presented to the ACTA Governing Board on March 21, 2024 where the brokered plan was approved, and the CFO given authority to bind policies. ACTA carries eight types of insurance coverage, as shown in the attached table of coverage in Transmittal 1. On April 12, ACTA bound the 2024-2025 insurance coverages. The total premium increased by 10.53%, as shown in Transmittal 2. The railroads cover 94% of the premium.

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, Terrorism, 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 Use & Operating Agreement terms, the Railroads reimburse ACTA for premiums for the Corridor Property, Terrorism and Railroad Liability policies.

On February 6, 2024, ACTA staff met with representatives from ACTA's Broker of Record, Willis, to begin the annual insurance policy renewal process. ACTA and Willis collaborated to complete the application packages to solicit coverage proposals from the market. ACTA and Willis met on March 7 and March 26 to review and select carriers for the coverage. On March 28, ACTA, Willis, BNSF, and UPRR met to review the coverage before binding. At the March 2024 Governing Board meeting, the Board authorized the Chief Financial Officer or his designee to bind coverage for the renewal. On April 12, ACTA bound the 2024-2025 insurance coverages. The total premium increased by 10.53% of which both railroads cover 94% of the premium shown in Transmittal 2. 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 FY24 Budget. There is no impact to the FY24 Budget for the renewal.

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 – 2024 Insurance Coverage
 - Transmittal 2 – 2024 Premium Summary
- 