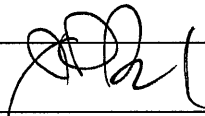


# M · E · M · O

## Alameda Corridor Transportation Authority

June 13, 2019

<b>To:</b>	Governing Board
<b>From:</b>	James P. Preusch, Chief Financial Officer 
<b>Subject:</b>	2019-2020 Renewal of Insurance Coverage (INFORMATION)

### Discussion:

This memo is to inform the ACTA Governing Board that the insurance coverage for the period April 15, 2019 through April 14, 2020 has been successfully renewed and bound. Attached is an insurance summary chart of ACTA's policies.

### Success with Renewal Challenges:

Lexington, the corridor property insurer, initially desired to increase the Earthquake Cap Deductibles that ACTA has historically had with the coverage. Because of ACTA's long standing relationship with Lexington, the underwriter agreed to maintain the Earthquake Cap Deductible. However, Lexington increased the amount of the deductible from \$10M to \$12.5M and plans to keep the cap in line with property value changes over time. The renewal premium represents a 5% rate reduction from the April 15, 2018 renewal premium.

For public officials D&O insurance, Hiscox, our primary incumbent carrier, no longer wishes to provide Governmental entities with public officials D&O insurance. Hiscox offered a reduced coverage limit of \$1M from the expiring \$5M coverage level. As a result, Willis Towers Watson, ACTA's Broker of Record, approached approximately 25 carriers for primary terms of public officials D&O insurance coverage. Willis Towers Watson secured several proposals and ultimately bound new public officials D&O insurance coverage with Chubb at the primary level of \$10M and Indian Harbor providing the excess coverage of \$5M. By replacing both incumbent carriers, Hiscox as primary and Starr as excess provider, ACTA maintained the \$15M program coverage limit.

### Co-General Counsel Review:

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

Transmittal:

Transmittal 1 - ACTA Renewal Premium Spreadsheet

