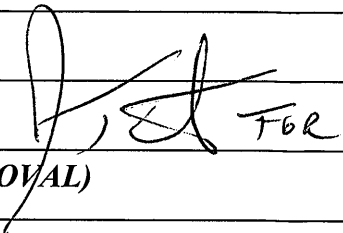


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Alameda Corridor Transportation Authority

March 14, 2019

To:	Governing Board	 J. P. Preusch For
From:	James P. Preusch, Chief Financial Officer	
Subject:	<i>Renewal of ACTA Insurance Policies (APPROVAL)</i>	

Recommendation:

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, 2019 through April 14, 2020; 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, 2019. ACTA carries eight types of insurance coverage, as shown on the attached table of coverage for the April 15, 2018 renewal. Willis is expected to provide ACTA with the April 15, 2019 insurance renewal recommendation during the week of March 11, 2019.

Willis, as Broker of Record, is completing its review of ACTA's needs and evaluating the availability of insurance for ACTA's requirements. Willis provided a preliminary summary of recommended insurance to ACTA for consideration on January 30, 2019. Most of ACTA's required insurance coverage is specified by covenants which ACTA agreed to in the Master Indenture of Trust for bonds sold in 1999, 2004, 2012, 2013, and 2016. Some coverage, such as Flood and Earthquake coverage, afford ACTA some discretion based on cost and economic value. The railroads pay the premiums for Corridor Property, Difference in Conditions and Railroad Liability insurance as part of the annual railroad Operating & Maintenance Expenses pursuant to the Use and Operating Agreement.



With the approval of the Governing Board, ACTA's Chief Financial Officer (CFO) will review Willis' forthcoming recommendations for insurance coverage options, and in consultation with the railroads' risk managers, make the final decisions regarding insurance coverage for ACTA. Thereafter, ACTA's CFO will direct Willis to bind the insurance policies and premiums for the period April 15, 2019 to April 14, 2020.

Budget Impact:

Approximately 90% of the insurance premiums are paid by the railroads under the terms of the Use and Operating Agreement. Those funds are paid to ACTA in May. ACTA's insurance premiums are included in each year's Program Budget. There is no additional impact regarding renewal of the insurance policies.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this Board Report and the proposed action raises no legal issues at this time.

Transmittal:

Transmittal 1 - 2018 Program Premium Summary