


M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: March 20, 2025
From: Kevin L. Scott, Chief Financial Officer 
Subject: APPROVE 2025-2026 Renewal of Insurance Coverage

Recommendation:

It is recommended that the Governing Board authorize the Chief Financial Officer or his designee 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, 2025 through April 14, 2026; and
2. Bind insurance, on behalf of ACTA, in accordance with the recommendations of Willis.

Renewal Process:

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, 2025. ACTA carries eight types of insurance coverage, as shown on the attached Insurance Program Schematic in Transmittal 1.

ACTA's insurance year begins on April 15 and ends on April 14 of the following year. ACTA purchases insurance policies covering Corridor Property, Difference in Conditions, 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 terms of the Use & Operating Agreement, the Railroads reimburse ACTA for premiums for the Corridor Property and Railroad Liability policies.

In January, 2025, ACTA staff met with representatives from ACTA's Broker of Record, 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 be comparable to last year. With Willis's assistance, ACTA completed the insurance applications for use by prospective carriers. Willis has presented ACTA's insurance needs, business model, and financial credentials to appropriate insurance markets to solicit coverage proposals on ACTA's behalf. As of the present, ACTA has received proposals which together represent a 1.8% increase from the prior year's renewals. Willis continues seeking additional proposals from other carriers to ensure annual premium competitiveness for the required coverage. Upon finalization, ACTA and Willis will meet with risk managers from both railroads to review and approve the coverage. Upon authorization of the Governing Board, the Chief Financial Officer or his designee will bind the final insurance portfolio. See Transmittal 1 for a Preliminary Premium Summary.



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Budget Impact:

Willis is compensated directly by ACTA and receives no commission compensation from any insurance company or provider. Costs for the premiums and for Willis are included in the FY24 Budget.

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 – 2025 Preliminary Premium Summary and Comparison to 2024 Insurance Policies