

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Finance Committee

THROUGH: Carter Mau  
Acting Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **APPROVAL AND RATIFICATION OF THE FISCAL YEAR 2022 TRANSPORTATION  
AUTHORITY INSURANCE PROGRAM**

**ACTION**

Staff proposes that the San Mateo County Transportation Authority (TA) ratify the TA's Insurance Program obtained through TA's insurance broker, USI Insurance Services, for Fiscal Year (FY) 2022 at a total premium cost of \$332,877, inclusive of the following:

- Primary and Excess Commercial General Liability policies with combined single limits for bodily injury and property damage of \$11 million and a \$50,000 self-insured retention (SIR) at an annual premium of \$279,471; and
- Public Officials Liability insurance with policy limits of \$3 million and a \$50,000 SIR for an annual premium of \$53,406.

**SIGNIFICANCE**

The TA's insurance program includes Primary and Excess Commercial General Liability and Public Officials Liability coverage. Premiums for these coverages have increased FY2022 due to a hardening of the insurance market. As indicated in the three-year premium history table below, premiums vacillate depending on available coverage, limits and willingness of insurers to underwrite.

<b><u>Principal Program</u></b>	<b><u>Conditions</u></b>	<b><u>FY2020 Premium</u></b>	<b><u>FY2021 Premium</u></b>	<b><u>FY2022 Premium</u></b>
Primary and Excess Commercial General Liability	\$11 million	\$268,849	\$222,087	\$279,471
Public Officials Liability	\$3 million limit	<u>\$44,033</u>	<u>\$46,730</u>	<u>\$53,406</u>
<b>TOTAL</b>		<b>\$312,882</b>	<b>\$268,817</b>	<b>\$332,877</b>

**BUDGET IMPACT**

Funds to underwrite the recommended excess liability and public officials' liability elements of the program are included in the FY2022 Budget.

**BACKGROUND**

The combined single limits for bodily injury and property damage is comprised of a \$1 million Primary Commercial General Liability policy plus a \$10 million Excess Liability policy for a total of \$11 million and is subject to a \$50,000 SIR. Public Officials Liability also maintains a \$50,000 SIR and carries policy limits of \$3 million.

The TA remains a named insured and is afforded coverage under the San Mateo County Transit District's insurance program that is in excess of the TA's own dedicated insurance policies. With dedicated coverage, the TA is able to take advantage of much lower retentions and deductibles than when it was part of the District's program. Additionally, coverage under the TA's insurance program is specifically designed to cover the TA's operations and is not shared with any other entity.

Prepared by: Marshall Rush, Insurance & Claims Administrator

650-508-7742

**RESOLUTION NO. 2021-**

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA**

**\* \* \***

**APPROVING AND RATIFYING THE INSURANCE PROGRAM FOR  
FISCAL YEAR 2022**

**WHEREAS**, the Acting Executive Director of the San Mateo County Transportation Authority (TA) has approved an insurance program for Fiscal Year (FY) 2022 with premiums totaling \$332,877; and

**WHEREAS**, in conjunction with the expiration of the TA's existing insurance program on June 30, 2021, TA staff renewed its insurance program for FY2022 based on the plan approved by the Acting Executive Director, with the following significant elements:

1. Primary and Excess Commercial General Liability policies with combined single limits for bodily injury and property damage of \$11 million and a \$50,000 self-insured retention for an annual premium of \$279,471;
2. Public Officials Liability insurance with policy limits of \$3 million and \$50,000 retention for an annual premium of \$53,406; and

**WHEREAS**, the TA also is a named insured and afforded coverage under the San Mateo County Transit District's insurance program in excess of the TA's dedicated insurance policies; and

**WHEREAS**, staff recommends that the Board of Directors approve and ratify the renewal of the TA's insurance program for FY2022, as delineated above.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the San Mateo County Transportation Authority hereby approves and ratifies the renewal of the TA's insurance program for FY2022, including the types of coverage, limits and premiums recited above.

Regularly passed and adopted this 1<sup>st</sup> day of July, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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Chair, San Mateo County Transportation Authority

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Authority Secretary