



# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

## Master Minute Order

File Number: 20-166

Report ID: 20-166

Type: Regular - Finance & Audit

Status: Received

Agenda  
Section:

Meeting Body: Board of Directors -  
Regular Meeting

Report Created: 01/12/2020

Final Action: 04/08/2020

**ded Action:** Consider receiving a report from Albert Risk analyzing the District's current insurance program and risk bearing capacity. [Requested by Directors Peebles and Harper - 6/27/18]

Moved to 4.8 per Jill.

Sponsors:

Enactment Date:

Attachments: STAFF REPORT, Att.1. Analysis and  
Recommendations, Att.2. Presentation

Enactment Number:

Hearing Date:

Effective Date:

### History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
Board of Directors - Regular Meeting	04/08/2020	Received				Pass
<b>Action Text:</b> MOTION: YOUNG/ORTIZ to receive report from Albert Risk analyzing the District's current insurance program and risk bearing capacity. The motion carried by the following vote:						
<b>Notes:</b> Claims and Liability Manager Jean Paul Popoff presented the staff report, advising that based on the analysis, Albert Risk recommends that the District continue to retain risks that are within its financial capacity through deductibles and self-insurance retentions while transferring its catastrophic risk exposure by purchasing insurance. Mr. Popoff then turned the presentation over to Catherine Wells, Principal and West Coast Practice Leader for Albert Risk. Richard Cho with Albert Risk further discussed the analysis that was performed, noting that the District was exposed to a \$117 million catastrophic property loss (fire, water damage). Mark Priven discussed an analysis of workers' compensation coverage.						
Director Peebles asked about a catastrophic loss due to an earthquake and what the District's policies covered. Mr. Cho advised that the District does not purchase earthquake coverage but is insured for fires after an earthquake. Mr. Cho advised that while Earthquake coverage was not analyzed as part of the study, it should be considered.						

Director Shaw asked if the crime insurance included ransom for cybercrimes. Mr. Cho advised that the crime insurance did include ransom ware.

Director Shaw further inquired about the District's potential exposure to a large workers' compensation claim. Mr. Priven advised that while this was not a likely event, the rating bureau has a class specific to bus operators which estimates that 10% of the total of workers' compensation costs for an entity is over \$1 million and can make up a substantial portion of the losses for injured workers.

Director Harper asked if property losses would be valued at actual cash value or replacement value. Mr. Cho advised that the District's insurance policy provides for replacement value.

With regard to excess general liability and vehicle liability policies, Director Harper asked if the firm had a breakdown of the \$6.2 million in developed losses. Mr. Priven advised that a risk bearing analysis of the District's general liability and vehicle liability was not part of their scope of work. Director Harper pointed out that his issue with the study was that it did not acknowledge the District's claims and loss history in this area, which was the primary reason he requested that an analysis be performed. Mr. Popoff advised that he could provide the analysis and charts he had prepared prior to the study as well as an update with current events which showed that excess carriers had paid out a substantial amount of money over the premiums in addition to what the District would have paid absent the insurance premiums. Mr. Priven advised that an organization should assume as much risk as it could bear, while buying as little insurance possible for catastrophic loss. Director Harper commented that he would like the District to have a historical basis for what it is doing, noting his preference to continue the matter to another meeting.

Director Peeples suggested that staff distribute the charts and analysis to see if another study is warranted, and that the Board accept the report.

Ayes: 7 President Wallace, Vice President Ortiz, Director Harper, Director Williams, Director Shaw, Director Peeples, Director Young

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