

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

10:18 a.m. August 10, 2021

Committee Members: Moss (Chair) Joyce, Koomar, McCall, Weiss

Other members: Byrne, Duarte, Lucas **Not present:** Pellot, Serrano

Staff: Becker, Benford, Bitto, Burney, Capek, Catalusci, Caver, Coffey, Dangelo, Davidson, Dimmick, Feke, Feliciano, Fields, Freilich, Gautam, Johnson, Jones, Kirkland, Lincoln, Martin, Mothes, Petit, Schipper, Sutula, Talley, Togher, Ulrich, Walker-Minor

Public/External Presenters: Colliers, Gibbons, Jurca, Sklemar, Wright

The meeting was called to order at 10:18 a.m. There were five (5) committee members present.

This meeting was live-streamed on RTA's Facebook page (www.facebook.com/rideRTA) for staff and members of the public. Members of the public were allowed to attend in-person.

Based on Centers for Disease Control (CDC) guidance to continue to avoid large events and gatherings and Ohio Department of Public Health advice that businesses and other entities may continue to require mitigation measures, as well as RTA's interest in protecting community and employee health and safety, several measures were put in place for in-person attendance, which are spelled out on the meeting notice.

Casualty Insurance Program

Judy Lincoln, Director of Risk Management gave the presentation.

This program renews September 1, 2021. GCRTA maintains a casualty insurance program for protection of assets against catastrophic loss. It includes three different programs.

- Excess Liability Program (General, Rail, Auto) \$95M limit, \$5M Self-Insured Retention
- Excess Workers' Compensation - \$10M limit, \$750,000 SIR
- Public Officials Liability / EPL - \$5M limit, \$250k SIR/ \$500k SIR

How Does GCRTA procure this Insurance? The ELP is sophisticated. It's a quota share program. The \$95M coverage limit is divided into three layers of coverage that we market separately to different insurance companies. Certain insurance companies play low and other play high.

- Excess liability markets must be accessed via a broker; no direct writers of these coverages
- GCRTA conducts an RFP process to select and retain a casualty insurance broker
 - Broker is selected based on their expertise in the commercial insurance market, including the industry sector being rail, transit and transportation
 - Together GCRTA and broker approach insurance markets, submission describing GCRTA's operations and exposures, loss experience, safety culture to negotiate the best partnerships with markets and best program for GCRTA in terms of coverage and pricing

Public Officials / Employment Practices Liability Renewal

- Provides liability protection to Directors and Officers as well as GCRTA for alleged wrongful acts by Directors and Officers, or employees

- The policy also provides insurance coverage for employment practices claims.

Excess WC Policy renewal negotiations are complete:

- Expiring Premium \$272,165
- Existing carrier, Safety National seeking a 7.3% rate increase (rate charged against payroll)
- Payroll increased slightly; renewal premium quoted is \$292,601
- Better than expected result given most recent guidance of 7.5% - 15% expected increase. This is below the 7.5%-15% expected increase from the state of the market from our broker.
- Conducted a full marketing effort, and no one could match retention or premium

Public Officials / EPL Liability renewal negotiations complete:

- Incumbent carrier: AIG (National Union)
- Expiring Premium is \$94,590
- Renewal Premium is \$96,000, a 1.5% increase
- Most other public entity accounts experienced over 30% in increases per broker. Competitive quote from Chubb made a significant difference.

Chubb recently wrote our cyber liability coverage so AIG was able to get a competitive quote, which made a difference in getting 1.5%. We were looking at 12% initially. They have quotes and proposals for the ELP, but they are not confirmed. The final results look favorable even though they can't share that information at this time. Will provide final renewal results for the Casualty Insurance Program in a memo to the GCRTA Board of Trustees accompanied by a resolution containing final recommendations to be brought to the Board at the upcoming August 24, 2021 meeting.

Ms. Moss thanked Judy for her work. Ms. Moss had concerns about voting on something so quickly without having the final numbers. She believes we are getting a favorable result. We've gotten people to give us some solid quotes. President Lucas thanked the staff. He knows it is tough to get good rates in the market and in light of events that happened here. Mayor Koomar asked if we are paying premiums into the State fund for WC. Judy said we are an authorized self-insurer in the State of Ohio, but we do pay an assessment. He asked when the excess WC kicks in. She said it kicks in at \$750,000 for an occurrence. Mayor Weiss congratulated staff on the public officials' rate. He asked if staff looks at the foreign markets for the liability insurance and how many layers. She said we have London, Bermuda and one large US market, but more London markets. There are three layers and 11 participants. There is a \$20M, \$30M and \$45M layer. Ms. Dangelo added that the resolution will have the contributors on the resolution presented in two weeks. Ms. Birdsong thanked the chair and staff for their hard work.

The meeting was adjourned at 10:31 a.m.


Rajan D. Gautam
Secretary/Treasurer


Theresa A. Burrage
Executive Assistant