

## Minutes

### RTA Audit, Safety Compliance & Real Estate Committee Meeting

9:40 a.m. December 15, 2020

**Committee Members:** Moss (Chair) Lucas (Vice Chair), Joyce, McCall, Weiss

**Other members:** Bibb, Byrne, Clough, Serrano, Pellot

**Not present:** None

**Also Present:** Becker, Benford, Birdsong, Bitto, Burney, Catalusci, Caver, Coffey, Dangelo, Davidson, Fields, Freilich, Garofoli, Gautam, Johnson, Jones, Lincoln, Mothes, Schipper, Young.

Ms. Moss called the meeting to order 9:40 a.m. The secretary called the roll and reported that five (5) committee members were present.

This meeting was conducted by teleconference for members of the Board in accordance with Sub. H.B. 404 of the 133<sup>rd</sup> General Assembly, passed on November 19, 2020, signed by the Governor of the State of Ohio on November 22, 2020 and the March 9, 2020 order of the Governor of the State of Ohio declaring a public health emergency, this meeting was live-streamed on RTA's Facebook page ([www.facebook.com/rideRTA](http://www.facebook.com/rideRTA)) for staff and members of the public.

#### Property Insurance Renewal Program

Judy Lincoln, Director of Risk Management made the presentation. This is a follow-up to the presentation from December 1, 2020. Ray Battle, VP of Aon is on the line. GCRTA's All-Risk Property Insurance Policy expires on January 1, 2021. It covers all real and personal property for which GCRTA is responsible, which includes bus garages, rail complex, rail stations, rail and bus fleet (non-collision only). The incumbent carrier is FM Global. We have a blanket limit of \$500 million per occurrence with a deductible of \$250,000. Total insured value is \$1.77 billion. FM Global informed us this year that they would non-renew GCRTA as an account due to the Rail / Rolling Stock exposure, which is not considered part of their core business. As described at the Committee Presentation on 12-1-2020, they worked with Aon, our property insurance broker, to conduct a competitive marketing effort.

The results of the marketing effort are that the best proposals were from two different insurance markets; one for the traditional property insurance coverage, and one for the rolling stock coverage. Rolling Stock (both rail and bus) is a unique exposure and only certain insurance markets will consider insuring it. Therefore, the recommendation includes placing two separate programs for GCRTA's property insurance coverage as of January 1, 2021. The first program will be written by Liberty Mutual and is for the coverage of all GCRTA real and personal property excluding rolling stock. The second program is a stand-alone rolling stock policy written by Evanston Insurance Company and specifically provides coverage for GCRTA Rolling Stock (both rail and bus).

The expiring premium for the 1-1-20/21 policy period is \$825,930. The 2021 budgeted amount is \$1,280,200 or a 55% increase based on guidance from our insurance brokers. The combined premium for the new combined program is \$1,126,116, an increase of 36% over the expiring premium of \$825,930 and 12% under budget. While it is an increase, it is not as bad as peer rates. Both Liberty Mutual and Evanston Insurance Company carry the highest possible financial security rating from Best's Insurance Rating service (A XV), demonstrating their financial stability and ability to pay claims. More detail on the new program is included with our recommendation in the resolution submitted to you for approval in the

board package for today's meeting. They are seeking approval to execute this insurance program renewal as recommended.

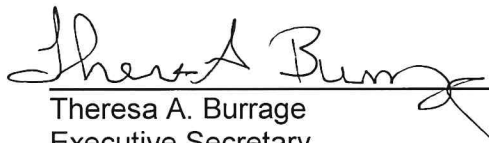
Mayor Weiss asked if staff checked other markets like London and since the market is so limited, are there opportunities to create a consortium of properties with rolling stock to do a combined coverage program. Judy said they approached other markets. It would have been a \$2 million premium for \$25 million of coverage so they were not competitive. There is an opportunity to do a consortium, but the program for rolling stock is different for each client, so it would be hard to do, but yes possible. A combination of RTA's fleet and vehicle schedule and RTA's unique claims history involving rail and bus affects the desirability of the account.

Mayo Clough thanked the staff for their hard work in getting the competitive price. The fact that RTA has done better than its peers shows what we were able to accomplish. It was moved by Mayor Weiss, seconded by Mr. Joyce to move to the full Board.

This meeting was adjourned at 9:50 a.m.



Floun'say R. Caver, Ph.D.,  
Interim Secretary/Treasurer



Theresa A. Burrage  
Executive Secretary