

RESOLUTION 1986 - 162

ADOPTING A POLICY OF SELF-RELIANCE REGARDING
LIABILITY ARISING OUT OF THE OPERATION OF THE
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY AND
DIRECTING INCREASED FUNDING FOR THE "INSURANCE
FUND"

WHEREAS, the Greater Cleveland Regional Transit Authority (GCRTA) has historically accepted most of the risk for claims arising out of the operation of its transit facilities; and

WHEREAS, the GCRTA has, since 1978, maintained a Self-Insured Retention of either Two Million Dollars or Five Million Dollars; and

WHEREAS, the GCRTA has never made a claim against its excess liability insurance carriers; and

WHEREAS, the GCRTA has maintained and continues to maintain a Claims Department for the handling and disposition of claims and lawsuits against the GCRTA; and

WHEREAS, the present state of the insurance and reinsurance industry has resulted in prices being quoted for the renewal of excess liability insurance which are not acceptable to the GCRTA; and

WHEREAS, the GCRTA established an Insurance Fund in 1978 which had a cash basis balance of Two Million One Hundred Seventy-Seven Thousand One Hundred Eight-Four Dollars (\$2,177,184.00) as of April 30, 1986; and

WHEREAS, the State of Ohio has enacted a Sovereign Immunity Bill which affords the GCRTA reasonable alternatives in the management of its claims and liability exposure.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority:

Section 1. That a policy of Self-Reliance as to liability arising out of the operation of the GCRTA be and it is hereby adopted to be implemented as set forth in the following sections.

Section 2. That excess liability insurance for the GCRTA shall not be purchased for 1986-1987.

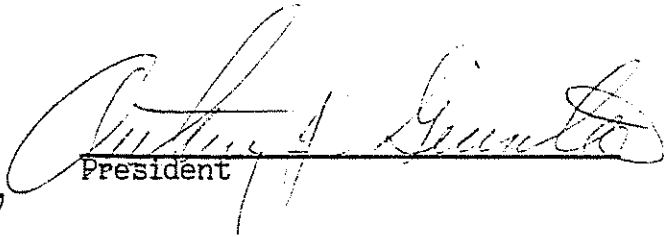
Section 3. That the funds normally expended for excess liability insurance be and they shall be put into the Insurance Fund, that an additional Two Hundred Thousand Dollars (\$200,000) shall be placed into the Insurance Fund, and that all interest earned by said fund and accruing to said Insurance Fund shall remain in said fund.

Section 4. That expenditures from said Insurance Fund shall be restricted to the payment of major claims or judgments arising out of the operation of the GCRTA.

Section 5. That the GCRTA staff is hereby directed to review at least annually the potential cost of excess liability insurance and report its findings to the Board of Trustees for its consideration.

Section 6. That this resolution is effective immediately upon its adoption.

Adopted: May 20, 1986



President

Attest: 

Secretary-Treasurer