

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100009	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Insurance Program renewal FY09

PURPOSE:

Request Board approval to negotiate, execute and implement the Fiscal Year 2009 Authority-wide operating insurance program under the existing Insurance Brokerage Services contract within budget.

DESCRIPTION:

On an annual basis, WMATA's insurance broker markets our insurance program for the best pricing options and final quotes are subject to negotiation prior to renewal processing. As required by the existing insurance brokerage contract, the invoices for the insurance premiums are paid within thirty days of receipt to maintain continuity of insurance coverage.

The scope of insurance under this action mainly includes coverage for property and liability exposures and smaller specialized policies such as pollution and fiduciary liability. These policies have various coverage limits and deductibles. The insurance broker is currently marketing the FY09 insurance program to numerous carriers with the capacity to provide WMATA's desired coverages within our budget.

Staff and the insurance broker will explore the availability of coverage within the current market place and will attempt to maintain the current insurance program as policy conditions and enhancements allow. There is some degree of volatility in the marketplace for transportation-related insurance policies, which may lead to conditions that require small increases in premiums, decreased limits, or increased deductibles. Staff will implement minor changes, if required. If major policy issues arise, they will be brought to the Board for consideration.

FUNDING IMPACT:

Budget: Operating Budget, Fiscal 2009

Office: System Safety and Risk Management

Account: C & L - Premium

This Action: Not to Exceed \$9,000,000

Remarks: Final execution of the FY09 policies is subject to Board approval of the budget and availability of funds.

FY2009

Budget: \$9,600,000

This Action: \$9,000,000

Prior Approval: \$0

Remaining Budget: \$600,000

RECOMMENDATION:

Staff recommends Board approval to negotiate and execute the FY2009 Authority-wide insurance program under the existing Insurance Brokerage Services contract within budget.