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Title: CONSIDER RENEWAL OF TRANSIT LIABILITY INSURANCE FOR POLICY PERIOD MAY 1, 2024 THROUGH APRIL 30, 2025 THROUGH CALIFORNIA TRANSIT INDEMNITY POOL, A JOINT POWERS AUTHORITY (CITY COUNCIL)

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4/16/2024	1	City Council		

Report to Mayor and City Council

Tuesday, April 16, 2024

Consent

SUBJECT:

CONSIDER RENEWAL OF TRANSIT LIABILITY INSURANCE FOR POLICY PERIOD MAY 1, 2024 THROUGH APRIL 30, 2025 THROUGH CALIFORNIA TRANSIT INDEMNITY POOL, A JOINT POWERS AUTHORITY (CITY COUNCIL)

I. SUMMARY

On December 7, 2021, City Council approved the purchase of transit liability insurance through California Transit Indemnity Pool (CalTIP), a Joint Powers Authority that insures local transit lines. The current CalTIP policy period ends on April 30, 2024; therefore, staff is now asking City Council to approve the renewal of the insurance effective May 1, 2024 through April 30, 2025, for a not-to-exceed annual premium of \$150,000.

II. RECOMMENDATION

TAKE the following actions:

APPROVE the renewal of transit liability insurance for the policy period May 1, 2024 through April 30, 2025, through California Transit Indemnity Pool with a limit of \$25,000,000 and self-insured retention (deductible) of \$250,000, for a not-to-exceed annual premium of \$150,000.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On September 27, 2021, the City entered into a contract services agreement with Long Beach Transit (LBT) for operation of three new fixed-route bus routes in Carson. In conjunction with this new service from LBT, the City Council approved staff's recommendation to reestablish the Carson Circuit as a staff-operated service, utilizing City-owned minibuses.

To insure the liabilities associated with transit operations, staff worked with the City's insurance broker to obtain quotes. The most favorable terms were received from CalTIP, a joint powers authority providing transit insurance to over 30 California transit operators, including Gardena, Culver City, El Monte, Torrance, and Whittier.

On December 7, 2021, City Council approved the first purchase of transit liability insurance from CalTIP, prorated for the remainder of the policy period. Subsequent policy periods run from May 1st of each year through April 30th, in line with CalTIP's fiscal year.

Staff is now asking City Council to approve the renewal of transit liability insurance through CalTIP for the period May 1, 2024 through April 30, 2025, for a not-to-exceed annual premium of \$150,000. This premium is based on an annual run of 272,200 total projected revenue miles.

V. FISCAL IMPACT

There is no fiscal impact to the City's General Fund accounts.

Funds for the first two months of the policy are included in FY 2023-24 Proposition A account no. 218-90-940-180-6028. Funds for the remaining ten months through April 30, 2025 are included in the proposed FY 2024-25 budget in the Proposition A account no. 218-90-940-180-6028.

VI. EXHIBITS

None.

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