



Legislation Details (With Text)

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Title: CONSIDER RENEWAL OF TRANSIT LIABILITY INSURANCE FOR POLICY PERIOD 5-1-2022 THROUGH 4-30-2023 THROUGH CALTIP, A JOINT POWERS AUTHORITY (CITY COUNCIL)
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Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, April 19, 2022

Consent

SUBJECT:

CONSIDER RENEWAL OF TRANSIT LIABILITY INSURANCE FOR POLICY PERIOD 5-1-2022 THROUGH 4-30-2023 THROUGH CALTIP, A JOINT POWERS AUTHORITY (CITY COUNCIL)

I. SUMMARY

On December 7, 2021 City Council approved the purchase of transit liability insurance through CalTIP, a Joint Powers Authority that insures local transit lines. CalTIP's policy period ends on April 30, 2022; therefore, staff is now asking City Council to approve the renewal of the insurance effective 5-1-2022 through 4-30-2023, for an annual premium of \$103,913.

II. RECOMMENDATION

TAKE the following actions:

APPROVE the renewal of transit liability insurance for the policy period 5-1-2022 through 4-30-2023, though CalTIP, a Joint Powers Authority, with a limit of \$25,000,000 and self-insured retention (deductible) of \$250,000, at an annual premium of \$103,913.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

In September 2021, the City entered into a service agreement with Long Beach Transit (LBT) to provide fixed-route bus service in Carson. On September 27, 2021, LBT began operating three new routes in Carson. In conjunction with this new service from LBT, the City Council approved staff's recommendation on October 19, 2021 to reestablish the Carson Circuit as a City-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 purchase of transit liability insurance from CalTIP for an estimated first year premium of \$112,931, prorated for the remainder of the policy period. That policy will expire on April 30, 2022. Subsequent policy periods will run from May 1 of each year to April 30 of the following year.

Staff is now asking City Council to approve the renewal of transit liability insurance through CalTIP for the period 5-1-2022 through 4-30-2023, for an annual premium of \$103,913. This premium is based on 320,000 total projected revenue miles.

V. FISCAL IMPACT

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

There is a net reduction of \$1,503 in the Proposition A appropriation in account number 218-90-940-101-6004 for the last two months of FY 21-22, i.e. May and June 2022. The cost of the last 10 months of this policy will be included in the FY 22-23 Proposition A appropriations in account 218-90-940-101-6004.

VI. EXHIBITS

None.

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