

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99609	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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PURPOSE

Approve budgeted FY07 operations insurance program and associated premium payments to maintain insurance coverages. Action requires separate approval as dollar amount exceeds threshold for Board Resolution 2006-44.

DESCRIPTION

On an annual basis the Authority purchases various types of insurance coverages for property and liability exposures and smaller specialized policies such as pollution and fiduciary liability. The Authority's insurance broker markets the insurance program coverages and makes recommendations to staff on insurance carriers with the capacity to provide the insurance policies.

The desired coverages were bound for renewal processing within the approved budget effective July 1, 2006. Changes incorporated in this year's insurance program were:

- 1) eliminated rail car collision deductible buy-down coverage from \$500,000 deductible increased to \$1,000,000.
- 2) eliminated a liability/package policy that included garagekeepers liability which is now a self insured exposure.
- 3) eliminated auto liability coverage for vehicles assigned to executive staff.

These changes simplified the insurance program, saved money and above all, kept program expenses within budget.

This action is a routine and reoccurring action to process invoice payments for insurance premiums under the Insurance Brokerage Services Contract# CO 2132. As required by the existing insurance brokerage contractual agreement, the invoices for the insurance premiums were paid within 30 days of receipt to maintain continuity of insurance coverage. This action requires a separate approval outside Board Resolution # 2006-44 as the dollar amount exceeds the program threshold.

FUNDING IMPACT

Budget: Fiscal 2007 Operating

Department: CFO

Budget Line Item: Services

Page Number: N/A Budget Not Yet Published

FY Budget: \$8,169,653*

* **Note:** \$8,009,853 INSR Office Budget, \$159,800 Pension Budget

Expenses to date: \$8,169,653

Total Action: \$8,169,653

RECOMMENDATION

Staff recommends Board of Directors ratify the payment approved by the General Manager of \$8,169,653 by modification to Contract CO 2132 for implementation of the FY07 operations insurance program effective July 1, 2006.