

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. 12-091

WHEREAS, The SFMTA first purchased excess transit liability personal injury and property damage coverage for claims with losses and costs between \$5 million and \$30 million commencing in July 2009 and renewed such policies for FY 2011 and FY 2012; and

WHEREAS, The City's Risk Management Division has explored renewal options for FY 2013 on behalf of the SFMTA with National Casualty Company and Endurance Risk Solutions, the insurance companies that provided coverage for FY 2012; and

WHEREAS, A new policy would be for one year, with a \$30 million limit and a \$5 million self-insured retention, subject to approval by the City Attorney's Office of the insurance policy's endorsement terms; and

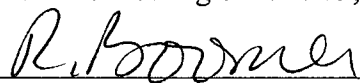
WHEREAS, The premium payment for a new policy would be \$2,425,921 for FY 2013, paid from the FY 2013 Operating Budget from the self-insured claims line item; and

WHEREAS, The SFMTA has not received reimbursement for any liabilities under this insurance during fiscal years 2010, 2011 and 2012 because there have been no events during this time period that have led to claims exceeding the \$5 million self-insured retention amount; and

WHEREAS, The SFMTA Board of Directors could opt to (1) decline to renew the FY 2013 coverage, return to completely self-insuring losses and place an amount equivalent to the premium on reserve to help cover future large claims, (2) decline to place this coverage and not place the premium amount on reserve or (3) authorize the renewal of insurance for the FY 2013 fiscal year; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors declines to renew excess transit liability personal injury and property damage insurance coverage for the SFMTA, return the SFMTA to completely self-insuring personal injury and property damage claims by third parties and place on reserve the amount of the premiums for any such coverage to help cover future potential claims.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 19, 2012.

  
\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency