



Board Report

One Manchester Boulevard
Inglewood CA 90301

File #: 2023-0012

File Type: Resolution

Agenda Number: 6

**REGULAR BOARD MEETING
FEBRUARY 14, 2023**

**SUBJECT: APPROVAL OF STAFF REPORT AND RESOLUTION 23-05 APPROVING
PUBLIC OFFICIALS LIABILITY INSURANCE POLICY**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

Approve staff report and accompanying resolution approving a Public Officials Liability Insurance Policy for the Inglewood Transit Connector (ITC) Joint Powers Authority (JPA), and directing the ITC Chief Executive Officer to execute the proposed insurance policy documents accepting coverage option two.

BACKGROUND

The City of Inglewood and the Los Angeles County Metropolitan Transportation Authority entered into a Joint Exercise of Powers Agreement with the objective of establishing a separate public entity solely dedicated to undertaking, and/or contracting with third parties for the planning, design, construction, financing, operations and maintenance of the ITC Project.

The JPA Agreement specifically authorizes the JPA to make and enter into contracts, and to adopt reasonable rules and regulations for the conduct of the day-to-day operations of the JPA. Pursuant to section 2.5 of the JPA Agreement, the ITC Board is specifically empowered to approve and maintain insurance programs for the benefit of the ITC Project.

Consistent with the foregoing, working with Gallagher & Company Insurance Brokers of California, Inc. ("Gallagher Insurance Brokers"), which serves as the designated broker for the City, staff sought multiple bids for an insurance policy to provide directors and officers liability protection. In response, staff received one insurance proposal from Landmark American Insurance Company. This proposal is included herewith as Attachment 2.

The proposed insurance policy offers three options for directors and officers liability protection. Option one provides \$1 million dollars in directors and officers liability insurance coverage with a \$100,000 self-insured retention. The annual premium for option one totals \$31,483.13.

The second option provides \$1 million dollars in directors and officers liability insurance coverage with a \$150,000 self-insured retention. The annual premium for the second option totals \$27,569.65.

The third option provides \$1 million dollars in directors and officers liability insurance coverage with a \$250,000 self-insured retention. The annual premium for the third option totals \$22,603.63.

JPA staff and advisors reviewed potential options with greater or lesser levels of annual premium and self-insured retention (deductible). The option recommended represents a reasonable balance of annual premium cost relative to the incremental self-insured retention for the JPA.

ITC staff confirmed the reasonableness of the proposed coverage option two insurance terms, conditions and amounts with Gallagher Insurance Brokers. ITC staff also surveyed other JPA and transportation agency insurance programs and consulted with independent insurance brokers to confirm the reasonableness of the proposed insurance terms, conditions and amounts. The attached insurance policy represents a best management practice, procedure and protection for ITC directors and staff in their administration of the ITC Project in the best interest of the JPA and the public.

If approved, staff will take necessary steps to complete the procurement of the policy utilizing Measure R funds. Prior to expiration of the proposed insurance policy, ITC staff will conduct an additional insurance services procurement. It is expected that the ITC will be eligible for even more competitive insurance quotations after the ITC has acquired Project assets and developed a performance history.

ATTACHMENTS

Attachment 1: Resolution of the Board of Directors of the ITC JPA Approving Public Officials Liability Insurance Policy

Attachment 2: Proposal of Insurance Policy from Landmark American Insurance Company