CALIFORNIA TRANSIT INDEMNITY POOL

California Transit Systems Joint Powers Authority
dba California Transit Indemnity Pool (CalTIP)
2026/27 Program Year

The **California Transit Indemnity Pool (CalTIP)** is a member-driven public sector organization dedicated to providing stable, cost-effective insurance, risk management, and safety services to public transit agencies. The organization offers its members an alternative to the commercial insurance market. Specifically, CalTIP pursues its mission by providing reasonably priced liability and vehicle physical damage insurance, stability of insurance premiums despite market fluctuations, guaranteed and adequate insurance coverage, and low administrative costs to its members. In contrast to commercial insurance companies that are in business to return a profit to investors, CalTIP, at the direction of its member board, also invests premiums, but returns profits to its members.

A Unique Solution
CalTIP was created as an intelligent response to insurance challenges all public transit agencies constantly face. Rate increases, which skyrocketed in the late 1980s, and threats of cancellation or reduced coverage, propelled several transit agencies looking for alternatives to for-profit insurance companies to band together and form CalTIP. By organizing as a joint powers authority, CalTIP allows its members to self-insure through an insurance pool and to obtain additional (excess) insurance through the commercial market at more favorable rates than an individual agency could obtain.

Accreditation and Recognition
CalTIP has been accredited with excellence by the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation’s first risk management Accreditation Program, which established a model of professional standards to serve as a guideline for all risk management pools regardless of size, scope of operation, or membership structure. CalTIP has also received recognition through the Association of Governmental Risk Pools’ (AGRiP’s) Advisory Standards for Recognition program. AGRiP recognition is a method for member pools to conduct a comprehensive self-assessment of internal operations procedures against industry best practices.

Organization and Structure
CalTIP’s Bylaws emphasize the member-directed nature of the organization.

- Board of Directors
  Each public transit agency member appoints a director and one or more alternate directors to the Board. The list of Board members can be found on the CalTIP website under “Contact Us” and “Board of Directors”.

- <u>Standing Committees</u>
  CalTIP has established the following standing committees: Oversight Committee, Finance & Administration Committee, Member Services Committee, and Nominating Committee.

  The Committee members and their responsibilities can be located on the CalTIP website under “Contact Us”, “Committees”.

- <u>Officers</u>
  The current officers are Kelly Halcon, Monterey Salinas Transit District, Chairperson; Curtis Moses, San Joaquin Regional Transit District, Vice Chairperson; Tania Arnold, San Luis Obispo Regional Transit Authority, Treasurer; and Sarah Bishop, Sedgwick, Board Secretary. (The Board Secretary is a non-voting position.)

Background
CalTIP was created by transit agencies throughout California to provide a pooled approach to insurance pursuant to the California Government Code. CalTIP began providing services for its 12 initial members on May 1, 1987. It now consists of 34 members throughout California and maintains pooled coverage programs for auto liability, general liability, public officials’ errors and omissions, and vehicle physical damage, along with bundled services for claims administration, safety, loss prevention, and risk management.

CalTIP was created to serve California’s public transit operators, which form its membership. As such, CalTIP encourages and depends on active member participation to ensure that it continues to provide its members with the best in services and programs. CalTIP has been able to reduce member insurance costs through the pooling of risk and by utilizing the combined purchasing power of the group. As each of the programs and services is designed to reduce the risk associated with the provision of public transit services, CalTIP’s primary goal is the safety and welfare of the transit agency members, their employees, riders, and communities.

Admission of Members
Membership in CalTIP must be approved by a vote of the Board. New members are required to pay an application fee, have an analysis of their loss data conducted, and have their experience modification factor and contribution deposit calculated.

Withdrawal of Members
A member may withdraw after its initial three years of participation in CalTIP, only at the end of the fiscal year, provided they have given a six-month written notice of intent to withdraw.

Program Year
CalTIP’s program year is May 1 to April 30.

Liability Program

CalTIP's mandatory Liability Program provides protection against covered losses wherein the member is legally liable for bodily injury or physical damage caused by either the member itself or an owned vehicle. CalTIP's pooled and excess coverage, combined with various self-insured retention options, provides general liability, public officials' errors & omissions, and auto liability.

Member Self-Insured Retentions/Deductibles

Members are given the opportunity to select a self-insured retention/deductible that best fits their agency. These options are: $0 ($10,000 pre-funded); $25,000; $50,000; $100,000; $250,000, and $350,000. A selection of a $350,000 SIR requires the member to provide a completed independent actuarial study and audited financial statements.

Pooled Program Layer

CalTIP self-funds or "pools" the first $2.75 million of coverage per occurrence. That amount is inclusive of the member's self-insured retention/deductible.

Reinsurance/Excess Insurance

CalTIP purchases reinsurance and excess insurance for losses that exceed CalTIP's pooled program layer. All members receive $5 million of reinsurance above the $2.75 million pooled layer. Members have the option of purchasing a total of $10 million or a total of $25 million in coverage limits.

Retrospective Premium Adjustments

CalTIP performs an annual retrospective adjustment calculation. This process allocates incurred costs or assets back to members participating in specific program years. Retrospective returns are a direct result of reduced claims experience. Thus, the lower the loss experience, the greater the retrospective adjustment.

Liability Program Coverage Layers:

<table>
<tr><td>Allied World
$10,000,000 per occurrence excess of $15,000,000</td><td rowspan="2">$25 Million</td></tr>
<tr><td>StarStone (Core)
$5,000,000 per occurrence excess of $10,000,000</td></tr>
<tr><td>Everest Re (75%)* & Obsidian (25%)*
$3,250,000 per occurrence excess of $6,750,000</td><td>$10 Million</td></tr>
<tr><td>Government Entities Mutual
$4,000,000 per occurrence excess of $2,750,000</td><td rowspan="8">$7 Million (Minimum coverage upon membership)</td></tr>
<tr><td>CalTIP Pooled Layer
$2,750,000 per occurrence inclusive of the member’s self-insured retention (SIR)</td></tr>
<tr><td>$350,000 SIR</td></tr>
<tr><td>$250,000 SIR</td></tr>
<tr><td>$100,000 SIR</td></tr>
<tr><td>$50,000 SIR</td></tr>
<tr><td>$25,000 SIR</td></tr>
<tr><td>$0 (pre-funded)</td></tr>
</table>

Vehicle Physical Damage Program

CalTIP's Vehicle Physical Damage Program provides members with comprehensive and collision coverage for transit vehicles leased/owned by the transit agency. The program is structured to include both self-funded (pooled) and purchased coverage. CalTIP's program is additionally enhanced with an aggregate stop-loss feature. The aggregate stop-loss is equal to the five highest deductibles of any vehicles involved in a multi-vehicle loss.

Member Deductibles

Members are given the opportunity to select a deductible per vehicle. The deductible options are $500, $1,000, $2,500, $5,000, and $10,000. Vehicles with an actual cash value of $50,000 or greater must select a deductible of no less than $5,000.

Pooled Program Layer

CalTIP self-funds or "pools" the first $100,000 of coverage, inclusive of the member agency's selected vehicle deductible.

Excess Insurance

CalTIP purchases excess insurance for losses exceeding $100,000. The excess insurance provides coverage for losses up to a limit of $20 million per occurrence, with a $2 million per vehicle sublimit.

Dividends

The Board may declare dividends for any funds in excess of the minimum net asset target level of $1 million.

Vehicle Physical Damage Program Layers:

<table>
<tr><td>Landmark (RSUI)
$5,000,000 per occurrence excess of $15,000,000
($2.0M per vehicle sublimit)</td><td rowspan="8">$20 Million</td></tr>
<tr><td>Evanston (Markel)
$14,900,000 per occurrence excess of $100,000
($2.0M per vehicle sublimit)</td></tr>
<tr><td>CalTIP Pooled Layer
$100,000 per occurrence, inclusive of per vehicle deductible</td></tr>
<tr><td>$10,000</td></tr>
<tr><td>$5,000</td></tr>
<tr><td>$2,500</td></tr>
<tr><td>$1,000</td></tr>
<tr><td>$500</td></tr>
</table>

Employment Risk Management Authority (ERMA)

CalTIP joined the Employment Risk Management Authority (ERMA) in July 2017. ERMA provides employment practices liability coverage to its members. This includes coverage for defense and indemnity of claims alleging harassment, discrimination, wrongful termination, retaliation, and workplace torts. ERMA is an optional program of CalTIP, and 10 CalTIP members currently participate. Only those CalTIP members that are not a department of a city or county are eligible to join ERMA through CalTIP.

The ERMA Board of Directors is comprised of one representative and one alternate representative from each member. Rob Thompson, Western Contra Costa Transit Authority, currently serves as CalTIP's representative. The alternate representative is DeDe Aspero, Tahoe Transportation District.

Program Administration

CalTIP's Board of Directors has contracted with the firm of Sedgwick to provide general administration services. The General Manager, along with other assigned staff, oversees member services and supports the Board in developing policies and procedures, developing the annual CalTIP operating budget, administering CalTIP's self-insurance programs, and overseeing contractors that provide specialized insurance and risk management services to the pool and its members.

CalTIP Staff Roster

Department	Name	Title	Email	Phone
Administration	Sarah Bishop	Incoming General Manager	sarah.bishop@sedgwick.com	(916) 244-1124
	Maria De Leon	Deputy General Manager	maria.deleon@sedgwick.com	(916) 244-1187
	Taysha James	Member Services Coordinator	taysha.james@sedgwick.com	(916) 244-1186
Litigation	Will Portello	Litigation Manager	william.portello@sedgwick.com	(916) 244-1139
	Brittany Urena	Litigation Analyst	brittany.urena@sedgwick.com	(916) 244-1104
Finance	Kemble Ng	Finance Manager	kemble.ng@sedgwick.com	(916) 244-1156
	Lynette Thomas	Staff Accountant	lynette.thomas@sedgwick.com	(916) 244-1180
	Jordan Ceglio	Sr. Accountant	jordan.ceglio@sedgwick.com	(916) 244-1151
Risk Control	Chris Williams	Risk Control Manager	chris.williams@sedgwick.com	(916) 320-0213
Contract Review/ Transfer of Risk	Tracy Berry	Contracts/Transfer of Risk Manager	tracy.berry@sedgwick.com	(916) 290-4623

Below is a general list of services and the person to contact for each. This is not all inclusive, and members are welcome to contact any staff member who can direct them to the right person if they are unable to assist.

Contact:	For the following services:
Sarah Bishop or Maria De Leon	Any questions related to CalTIP including governing documents, contracts with vendors, program structure, and services
Taysha James	Agendas, minutes, updates to the CalTIP website, questions regarding CalTIP programs/services, data collection, and surveys
Will Portello	Litigated matters and serious incidents involving third parties
Brittany Urena	Assistance with matters handled by Will Portello
Kemble Ng, Jordan Ceglio, or Lynette Thomas	Questions regarding CalTIP finances including budget, invoices, retrospective adjustments, and rate offset reserve fund; requests for information from your entity's financial auditors
Chris Williams	Safety communications, risk control website, requests for safety and risk control services, and safety and risk control questions
Tracy Berry	Transfer of risk questions and contract/request for proposal review related to the insurance specifications and indemnification sections

Other Service Providers

CalTIP's Board of Directors has contracted with other service providers to provide various services to the risk pool.

ACTUARIAL SERVICES
Bickmore Actuarial
Mike Harrington/Daniel Shaw
mharrington@bickmoreactuarial.com; dshaw@bickmoreactuarial.com

CLAIMS ADMINISTRATION
Sedgwick

Caroline Sbabo Claims Team Lead Phone: (916) 746-6340 caroline.sbabo@sedgwick.com	Heather Allen Client Services Manager Phone: (602) 906-3626 heather.allen@sedgwick.com

CLAIMS AUDITOR
Praxis Claims Consulting
Tim Vincent, CPCU
Phone: (802) 249-6230
tim@praxisclaims.com

INSURANCE BROKER
Alliant Insurance Services

P.J. Skarlanic Assistant Vice President Phone: (415) 403-1455 pskarlanic@alliant.com	Thomas Joyce Assistant Vice President Phone: (415) 403-1417 Thomas.joyce@alliant.com	Janelle Manalo Account Executive Phone: (408) 203-7880 janelle.manalo@alliant.com

FINANCIAL AUDITOR
Sampson & Sampson
Allison Gregg or Max Leung
Phone: (559) 291-0277
agregg@sampsoncpa.com or mleug@samsponcpa.com

INVESTMENT MANAGER
PFM Asset Management
Michael Kronbetter, CPA
Phone: (916) 384-1892
kronbetterm@pfmam.com

GENERAL AND COVERAGE COUNSEL
Alliston Law Office
Doug Alliston
Phone: (916) 860-1357
doug@alliston.law