

**REDDING AREA BUS AUTHORITY  
BOARD POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE
<b>RISK MANAGEMENT POLICY</b>	RABA-90	102	2/22/94
AMENDED	RABA 2014-04	102	12/15/14

**BACKGROUND**

The Redding Area Bus Authority (RABA) insures its buildings and facilities, and the current contract operator(s), as part of their agreement, provides coverage for RABA's fleet of vehicles. The RABA Risk Management Policy describes the authority and responsibility of the Risk Manager(s) and provides guidelines in accordance with which its loss prevention and insurance programs should be administered.

Per the Joint Exercise of Powers Agreement (JPA), the City of Redding shall provide staff assistance and legal counsel for RABA. As such the City of Redding Risk Manager(s) shall be the Risk Manager(s) for RABA. The Risk Manager receives general direction from the City Attorney who is RABA's Counsel per the JPA.

It is the intent of the Redding Area Bus Authority to reduce all risks of accidental loss and manage its potential losses in a cost-effective fashion.

**PURPOSE**

RABA's policy with respect to all risks of accidental loss shall have as its purpose:

- a) To protect RABA, the Cities of Redding, Anderson and Shasta Lake and the County of Shasta against the financial consequences of all accidental losses.
- b) To minimize RABA's long-term cost of all activities related to the control of accidental losses.

This purpose shall be attained by means such as loss prevention, claims self-administration, insurance administration and risk transfer. The Risk Manager(s) shall be primarily responsible for the implementation of this policy. The Risk Manager(s) shall be Risk Manager(s) of the City of Redding.

## **POLICY**

### Loss Prevention

RABA's policy shall be to emphasize the reduction, modification, or elimination of conditions and practices which may cause loss. Safety to personnel and the public shall have the highest priority. The Executive Officer, or his designated representative, shall be responsible to see that his/her operations conform to Federal, State, County, and City safety standards. Property shall be protected to the extent that the reduction of hazard is greater than the cost of protection.

### Risk Transfer

Because they are in the best position to control losses, RABA shall attempt to transfer the risks of accidental losses to those parties performing services for RABA or leasing or using its facilities. The transfer of risk shall occur by means of insurance requirements and hold harmless and indemnification clauses in contracts, purchase orders, and lease or rental agreements. The transfer of risk shall be based on generally accepted risk management practices for public agencies and sound legal advice.

With respect to insurance claims on RABA's property, the Risk Manager shall have the authority to file and settle claims involving damage to RABA property with the agreement of the RABA Counsel and the Executive Officer.

### Guidelines

RABA's contract operator(s) shall provide insurance coverage as requested by the Executive Officer, or his designated representative, and, as general guidelines, to include the following:

- a) Statutory Workers' Compensation Liability and Employers Liability Insurance coverage in an amount to be specified by the Executive Officer, or his designated representative. The insurer shall provide an endorsement waiving all rights of subrogation against RABA, its officers, officials, agents, and employees for losses arising from work performed by the operator for RABA.
- b) Commercial General Liability Insurance coverage in an amount to be specified by the Executive Officer, or his designated representative (combined single limit per occurrence/aggregate for bodily injury, personal injury, and property damage).
- c) Business Automobile Insurance coverage in an amount to be specified by the Executive Officer, or his designated representative (combined single limit per accident). No sublimits shall apply to passengers. In the event that there is a separate contract provider for paratransit services, the coverage shall be an amount to be specified by the Executive Officer, or his designated representative.
- d) Performance Bond in an amount to be specified by the Executive Officer, or his designated representative, and form satisfactory to RABA.

- e) Fidelity Bond in an amount to be specified by the Executive Officer, or his designated representative, which shall cover operator employees and which shall protect RABA from employees and which shall protect RABA from employee theft with respect to any occurrence by operator's employees.

The contract operator(s) shall furnish RABA with certificates of insurance and original endorsements effecting coverage required by the contract. All certificates and endorsements are to be received and approved by RABA.

#### Purchase of Insurance

- a) All insurance for RABA shall be purchased under the direction of the Executive Officer, or his designated representative.
- b) Insurance (or other forms of risk finance) shall be purchased from any source determined to be in the long-term best interests of RABA.

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