

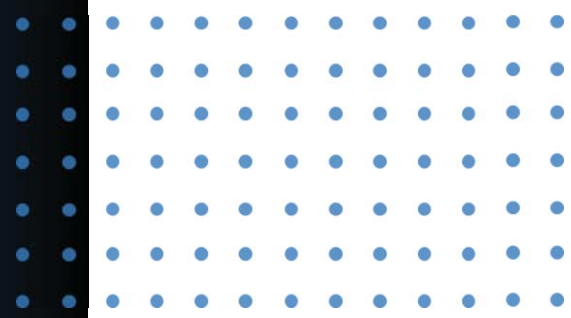
Santa Barbara Metropolitan Transportation District

Response to Property/Casualty Insurance Broker
Services

May 5th, 2026

Barbara Goodwin
Partner, Senior Vice President
USI Insurance Services LLC
575 Market St, Suite 3750
San Francisco, CA 94105
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www.USI.com





Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

LETTER OF TRANSMITTAL

May 5th, 2026

Valerie White
Santa Barbara Metropolitan Transportation District
550 Olive St
Santa Barbara, CA 93101

Dear Valerie White,

USI Insurance Services(USI) is very excited for the opportunity to submit this proposal for Property/Casualty Insurance Broker Services in response to the Santa Barbara Metropolitan Transportation District's (MTD or District) Request for Proposal (RFP). We know MTD provides an important public transit service to residents in Santa Barbara and surrounding areas. The service team responding to this RFP are public transit specialists, having worked with public transit agencies in California for over 25 years. This specialty insurance and risk management expertise couple with MTD's critical mission to provide safe transit service, makes us an exceptional broker and consultant for consideration by MTD.

The following are highlights of USI's qualifications and other services and specialties that distinguish USI:

- ◆ **Transit Experience:** We focus on Property and Casualty insurance for California public transit accounts and have many years of experience insuring clients listed below. Our team's in-depth understanding of bus systems is crucial in differentiating MTD in the market from other transportation accounts. As leaders in public transit, we also handle clients in other parts of the country.
- ◆ **Cost-Effective Solutions:** We understand the impact of budget constraints on your risk management decisions. By leveraging our expertise, we will negotiate competitive pricing and tailor coverage specifically to meet your financial and operational goals.
- ◆ **Market Leverage:** As one of the largest insurance brokers, we work extensively with carriers every day. MTD benefits from our strong market relations for transit accounts, ensuring that we attain the broadest and most competitively priced insurance coverage.
- ◆ **Value-Added Services:** We offer full risk management services and use of Resource Specialists regardless of office location and without profit center conflicts.
- ◆ **Knowledgeable consultation on contracts** – We provide consulting services to our transit clients on a broad range of contracts, from weed abatement to van pools, using Lyft and Uber for paratransit services, all types of construction, purchase of new buses and a variety professional service contracts.
- ◆ **Relentless focus on customer service.** We are a networked team that is "always on." When you need us, we are ready. Every principal team member has mobile access to voice and data communications, and we build redundancies into our teams, so staff members are always available to offer support and service.
- ◆ **Great enthusiasm and teamwork.** Our team communicates, works well together to the benefit of our clients, and has a passion for delivering the highest level of insurance and risk management knowledge to MTD.

We have outlined this transmittal letter according to the structure laid out in MTD's RFP. Note that Barbara Goodwin is the main point of contact and is the official person authorized to enter into contracts for the firm. Barbara's contact information is below.



Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

Offeror's interest and willingness to enter into a contract with MTD to carry out the broker services as described in the attached Scope of Services.

We appreciate the opportunity to work with MTD and would like to express our sincere interest in establishing a business relationship for providing Property/Casualty Insurance Broker Services as described in the RFP's Scope of Services. We are fully prepared and willing to enter into a formal contract to provide the requested services.

USI confirms that this proposal is a firm offer to provide work related to this RFP effective one hundred and eighty (180) days from the due date of the Proposal.

Offeror's willingness to accept the contract terms and conditions included in the MTD Master Agreement and the FTA Contract Provisions.

USI agrees to accept the contract terms and conditions included in the agreement. One exception is MTD following requirement:

- ◆ Paragraph 18, B, X, Deductible Retention – All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.

USI carries a higher deductible, that is in accordance with industry standards.

Offeror's ability and willingness to obtain insurance meets the requirements indicated in paragraph 18 of the Master Agreement.

USI meets the requirements indicated in paragraph 18 of the Master Agreement.

Offeror is currently licensed by the California Department of Insurance and can provide a copy of the license upon request. *Please list all names utilized by the organization in the past, in the event your organization has had any name changes.*

USI Insurance Services LLC is licensed by the California Department of Insurance and we would be happy to provide our license. Our previous name was USI Insurance Services National, Inc. and that firm was also licensed.

USI Insurance Services has operated under the name "USI Insurance Services" since its founding in 1994. USI USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ◆ USI Holdings Corporation
- ◆ USI Insurance Services of Northern California, Inc.
- ◆ Humanex, Inc.
- ◆ Henderson & Phillips, Incorporated

All acquired businesses are eventually integrated under the "USI Insurance Services" brand. If you require additional historical information or documentation regarding previous company names or entities, please let us know and we will be happy to provide further details.



Barbara Goodwin
USI Insurance Services
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San Francisco, CA 94105

In addition, all of the individuals working with MTD maintain valid and current California property & casualty insurance licenses, most of them for over 30 years. Also, team members maintain professional designations, including the following:

- ◆ Barbara Goodwin, who is Team leader, has her Commercial Property Casualty Underwriter (CPCU) designation and her Associate in Risk Management (ARM-E) designation with an emphasis on Enterprise Risk Management (ERM 57). She has taught ARM, Risk Management and Enterprise Risk Management courses for the Insurance Education Association (IEA) for many years.
- ◆ Sherry Hurte, the Account Executive/Manager for MTD, has her Commercial Lines Coverage Specialist (CLCS) designation. This is a comprehensive program for industry professionals to master commercial lines insurance coverages.

Also, team members take technical insurance continuing education courses to maintain their insurance licenses and for keeping up-to-date on the latest issues in insurance. In addition, many of the team members have college undergraduate and graduate degrees. Our team's knowledge coupled with our years of industry experience underwriting, brokering, servicing clients, and traveling to meet with U.S. and global markets, offers MTD unequalled technical insurance and risk management depth and talent.

There is no prior history of corrective action with the California Department of Insurance, under Offeror's current company name or by any name used in the past (in the event Offeror has changed names in the past). If your organization has changed names in the past, please list all names previously used by Offeror. Offeror shall disclose any actions taken, proposed, or negotiated with Offeror by the State of California Department of Justice, Office of the Attorney General, under current organizational name or under any prior name (if organization has changed names in the past).

Company names have included USI Insurance Services LLC and USI Insurance Services National, Inc. USI has never had any corrective action with the California Department of Insurance.

USI has not undergone any legal name changes. However, USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ◆ USI Holdings Corporation
- ◆ USI Insurance Services of Northern California, Inc.
- ◆ Humanex, Inc.
- ◆ Henderson & Phillips, Incorporated

To the best of our knowledge, there has been no litigation relative to compensation disclosures or practice brought against USI. It is in the nature of a national insurance brokerage business for there to be, from time to time, claims or lawsuits brought by and against the Company about insurance disputes. These matters have been resolved or are being resolved satisfactorily to the Company and have no adverse or material impact on any accounts under consideration.

Offeror's firm and staff proposed to work on MTD's projects have a minimum of five (5) years' expertise and experience in providing insurance brokerage and consulting services with emphasis on the public sector with depth and breadth of services available, comparable to MTD. This applies to both current and past contracts; state entity name, type of services, and date of services provided.

Barbara Goodwin and Sherry Hurte are the two core team members for MTD and have been handling the insurance and risk management needs on public transit accounts for over 25 years. The other team members that will work with MTD have been working with Barbara and Sherry on these accounts for over 10 years. These accounts include the following:



Barbara Goodwin
USI Insurance Services
575 Market St, Suite 3750
San Francisco, CA 94105

Client Name	Services Offered	Dates
Golden Gate Bridge, Highway and Transportation District	Property & Casualty Insurance, Excess Worker's Compensation, Marine Insurance, Risk Management Consulting Services	2008 to Present
San Mateo County Transit District	Property & Casualty Insurance, Excess Workers' Compensation, Risk Management Consulting Services	1988 to Present
Peninsula Corridor Joint Powers Board (Caltrain)	Property & Casualty Insurance, FELA, Risk Management Consulting Services	1992 to Present
Metropolitan Transportation Commission	Property & Casualty Insurance, Risk Management Consulting Services	2008 to Present
San Mateo County Transportation Authority	Property & Casualty Insurance, Risk Management Consulting Services	1988 to Present
San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA)	Property & Casualty Insurance, Risk Management Consulting Services	2022 to Present
Greater Cleveland Regional Transit Authority	Casualty Insurance, Risk Management Consulting Services	2012 to Present

We are excited by the prospect of partnering with you for Property/Casualty Brokerage Services. Please do not hesitate to reach out with any questions.

Sincerely,

Barbara Goodwin
Partner, Senior Vice President
628.201.9053
barbara.goodwin@usi.com
CA DOI License # 0G11911

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At USI, we've become a leader by doing things differently. We are truly changing the insurance brokerage and consulting industry with new proprietary solutions, unparalleled resources, and a unique process to deliver results.

— Mike Sicard, CEO

CONFIDENTIAL AND PROPRIETARY: This document and the information contained herein is confidential and proprietary information of USI Insurance Services, LLC (“USI”). Recipient agrees not to copy, reproduce, or distribute this document, in whole or in part, without the prior written consent of USI. Estimates are illustrative given data limitation, may not be cumulative, and are subject to change based on carrier underwriting.

COMPANY BACKGROUND AND INFORMATION

Please provide information regarding your organization, including a short description of your services, length of time in business and company size.

Founded April 28, 1994, incorporated in Delaware, and headquartered in Valhalla, New York, USI is one of the largest insurance brokerage and consulting firms in the world, delivering property and casualty, employee benefits, personal risk, program, and retirement solutions throughout the United States. USI connects over 11,000 industry leading professionals across nearly 200 offices to serve clients' local, national, and international needs. For more information, visit www.usi.com.

USI began with a single office of \$6.5 million of revenue and 40 associates and has become a leading insurance brokerage nationwide with approximately \$3 billion in revenue over the past two decades—through both sustainable, organic growth and a series of strategic acquisitions. USI is owned by KKR and hundreds of USI sales professionals, leadership, and employees. KKR is a global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit, and hedge funds.

USI has become a premier insurance brokerage and consulting firm by leveraging the **USI ONE Advantage**[®]—an interactive platform that integrates proprietary and innovative client solutions, networked local resources, and enterprise-wide collaboration to deliver customized results with positive, bottom-line impact. USI attracts best-in-class industry talent with a long history of deep and continuing investment in our local communities.

USI has been recognized as a **Top Insurance Employer** by Insurance Business America (IBA) for eight consecutive years (2018-2025). IBA's annual Top Insurance Workplaces program ranks leading U.S. insurance organizations based on a series of employee satisfaction metrics, including benefits, compensation, culture, employee development and diversity. For six consecutive years, USI has been named to *Business Insurance*'s list of **Best Places to Work in Insurance** (2020-2025).

USI Insurance Services LLC and its insurance operations and subsidiaries are registered to do business and are insurance department licensed in all necessary lines of authority in all 50 U.S. States, District of Columbia, and several U.S. Territories. Here is a map with our office locations:



Services Provided

We are a service provider who listens, understands, and responds to client needs. Specifically;

- We bring broad transportation specialized knowledge that will benefit MTD, for not only efficient purchase of property casualty insurance coverages, but also anticipating and addressing your risk management needs, assuring the lowest possible cost of risk.
- Insurance should not be a deterrent to MTD and its vision, so we work through solutions that enable MTD to continue their business operations.
- Our team has deep experience with unusual third-party contracts, so we can help advise on risk transfer coverages and limits on unique contracts for services that MTD lets.
- We will work to gain mutual respect with a broad section of staff and can work together to develop recommendations that work for multiple stakeholders.

USI will be a superior partner to MTD, balancing insurance placement with our consulting services that mitigate and prevent losses to MTD. We offer a complete spectrum of brokerage and consulting services including, but not limited to:

- ◆ **Analytics** – Provides analytical consulting for risk management clients. Services include loss forecasting and accrual studies, collateral reduction analysis, risk retention analysis, program comparisons and cash flow modeling, cost of risk allocation, and risk bearing capacity analysis.
- ◆ **Insurance program marketing** – Design appropriate coverage and negotiate with carriers for broad terms and low costs.
- ◆ **Physical risk review** – Assess operations to determine your property, business interruption, extra expense, machinery breakdown, flood, and earthquake exposures.
- ◆ **Claim advocacy** – Serve as your claim advocate for all coverage, assisting with property claims to maximize your recovery and minimize the disruption to your operations; offer in-depth coverage analysis and support for difficult liability, automobile, workers compensation, and executive liability claims to protect your assets.
- ◆ **Claims service provider assessment** – Procure and analyze proposals from claims and third-party administrators to determine and tailor the best claims program for your operations.
- ◆ **Loss control support** – Loss control and safety services designed to reduce your losses including OSHA, DOT, liability, and property protection.
- ◆ **Risk modeling** – Provide catastrophe modeling for property risks to analyze overall risk and obtain favorable coverage terms from insurance carriers.
- ◆ **Custom RMIS solutions** – Provide claims data management tools to allow you to manage and analyze your claims information.
- ◆ **Enterprise Risk Management (ERM)** – Helping companies identify possible catastrophic events, ensures capture of a broad array of risk, and provides the means to embed risk management into existing business processes. We offer an unrivaled combination of experience and capabilities to help your business develop and implement an effective ERM strategy.

USI also has served the public sector for project-specific engagements such as:

- ◆ Construction wrap-ups (Owner-Controlled Insurance Program or CCIP)
- ◆ Builders Risk programs
- ◆ Claims audit (third-party administrators)
- ◆ Loss control analysis
- ◆ Safety services—customized contracts to provide supplemental safety professionals to staff (outsourcing)
- ◆ Environmental due diligence
- ◆ Independent risk assessment

- ♦ Litigation management

Identify your business structure – corporation, partnership, sole proprietorship, etc. and number of years of operation under this structure. List any and all names previously used by your firm.

USI is a corporation that was founded April 28, 1994, and is incorporated in Delaware. USI has not undergone any legal name changes. However, USI has acquired, merged with, or operates several subsidiaries and affiliated entities under various names, including but not limited to:

- ♦ USI Holdings Corporation
- ♦ USI Insurance Services of Northern California, Inc.
- ♦ Humanex, Inc.
- ♦ Henderson & Phillips, Incorporated

USI Insurance Services, LLC is an operating company wholly owned by USI, Inc.—which, in turn, is majority owned by USI Advantage Corp., which is controlled by entities affiliated with Kohlberg Kravis Roberts & Co. L.P ([KKR](#)).

The remaining shareholders are made up of USI executives and employees, who not only have a financial stake in the company, but also retain decision-making responsibility with respect to day-to-day operations and client engagement.



For any business structure, provide history of acquisition, buyouts or mergers with other entities for the past ten years.

USI continually and actively seeks out opportunities to better serve our clients and increase our industry presence by augmenting our knowledge, resources, and expertise, as well as our geographic footprint; and we continue to strengthen our position as one of the largest insurance brokerage and consulting firms nationwide. **Recent news and acquisitions can be found on our website under “USI in the News” via the following link: www.usi.com/about-usi/usi-in-the-news dating all the way back to 2012.**

Due to the large number of acquisitions, below is a consolidated snapshot of larger transactions over the past ten years. A more detailed list can be provided upon request and found at the above link.

- ◆ In August 2025, USI Insurance Services announced the acquisition of Miami, Oklahoma-based Rogers Insurance Center. Founded in 1997, Rogers Insurance Center is an independent brokerage firm specializing in commercial and personal risk insurance programs.
- ◆ In May 2024, USI announced the acquisition of Odessa, Texas-based Hignojos Insurance Agency. Founded in 2009, Hignojos Insurance Agency is an independent brokerage firm specializing in commercial and personal risk insurance programs.
- ◆ In late 2023, KKR made an additional equity investment of more than \$1 billion in USI. Under the terms of the agreement, Kohlberg Kravis Roberts & Co. (KKR) and USI purchased shares of USI held by Caisse de dépôt et placement du Québec (CDPQ) and certain other investors. Following the deal's closing, KKR became USI's majority single shareholder, with USI's management and employees also retaining their significant ownership in USI.
- ◆ In May 2023, USI Consulting Group (USICG), a national industry-leading, full-service retirement plan consulting and benefits administration firm, announced the acquisition of Bloomfield, Connecticut-based Hooker & Holcombe, Inc (H&H), a regional provider of comprehensive and integrated actuarial, investment advisory, and retirement plan consulting services.
- ◆ In April 2022, USI announced the acquisition of Vincennes, Indiana-based employee benefits brokerage and advisory firm, Benefits 7, Inc.
- ◆ In May 2021, USI announced the completion of its acquisition of the insurance business offered through Northwest Insurance Services from Northwest Bank, a subsidiary of Northwest Bancshares, Inc. (NASDAQ: NWBI). Northwest Insurance Services is a wholly-owned subsidiary of Northwest Bank, offering property and casualty, life, disability and long-term care insurance, as well as group health, life and disability employee benefits.
- ◆ On December 14, 2020, USI announced the acquisition of Sitka, Alaska-based Venneberg Insurance. Founded in 1984, Venneberg Insurance is an independent risk management and insurance agency serving businesses and individuals throughout Southeast Alaska.
- ◆ In February 2019, USI announced the acquisition of New York-based GFI Insurance Brokerage, Inc. Founded in 2003, the insurance brokerage provides commercial property and casualty, employee benefit and personal risk solutions to clients in the Northeast region.
- ◆ On May 7, 2018, USI announced the acquisition of Key Insurance & Benefits Services, Inc., formerly part of KeyBank. Headquartered in Buffalo, N.Y., Key Insurance & Benefits Services, Inc. is a leading regional provider of risk management and employee benefit solutions with with eight offices in upstate New York, Pennsylvania and Connecticut.
- ◆ On December 4, 2017, USI announced the closing on the acquisition of Wells Fargo Insurance Services USA ("WFIS"), formerly part of Wells Fargo & Company. This purchase included the Insurance Brokerage and Consulting, Employee Benefits and Property & Casualty national practices of WFIS, along with its Safehold Special Risk, Small Business Insurance, Student Insurance, Individual Health and Private Risk Management Insurance business lines. This was a major acquisition that essentially doubled the size of USI at the time; also, many of the team members in this proposal were from WFIS, including the Team Leader, Barbara Goodwin.

How many years of experience does your firm have in the United States providing Insurance Brokerage Services? (Provide name and address if prior business name is not the same as Offeror)

USI has over 30 years of experience providing Insurance Brokerage Services.

Please provide a general list of clients and names of contacts from at least several organizations that have knowledge of your company that may vouch for your company's integrity, judgment and performance.

We have provided a list of clients in the [References](#) section, that you can contact. In addition, here is a list of public sector clients that the core service team handles:

Accounts Under Barbara Goodwin and Team

- Golden Gate Bridge, Highway & Transportation District
- San Mateo County Transit District (SamTrans)
- Peninsula Corridor Joint Powers Board (JPB, aka CalTrain)
- San Mateo County Transportation Authority (TA)
- San Mateo County Express Lane – Joint Powers Authority (SMCEL JPA)
- Greater Cleveland Regional Transit Authority (GCRTA)
- San Francisco Bay Area Metropolitan Transportation Commission (MTC)
- The County of Marin

Please provide a list of five clients who have not renewed your agency/firm as Broker of Record within the last ten years. Please include the reasons for the most recent non-renewal.

Many of these clients are not public entities, but they are clients who non-renewed their insurance programs with this service team, for the reasons stated in the chart.

Client	Year Non-Renewed	Reasons for non-renewal
YouGov America	2025	Consolidated U.S. operations with the foreign parent's insurance program managed by Marsh in London. So, the policies we placed here in the U.S. were combined into the parent company's program.
Backblaze	2024	CFO retired and new CFO brought in the team he worked with at a previous company. So, the new broker took over the policies we had placed on Broker of Record letter.
Cities Group Pool	2025	We were the insurance broker that placed Excess Workers' Compensation coverage for the cities who were members on the Cities Group Pool. This pool dissolved when the Program Manager retired, and the members sought Excess Workers' Compensation coverage elsewhere.
San Joaquin Regional Transit District	2021	The new CEO had a relationship with another broker and elected to move this. They eventually joined a pool for their Excess Liability insurance coverages.
Scientific Learning	2020	The Company sold to another Company, so the new parent company handled the insurance.

REFERENCES

Offeror must demonstrate successful prior performance of comparable services in the public sector arena and provide a minimum of three (3) references from California public sector entities and clients that are comparable to MTD for which these types of services have been performed within the past five (5) years. Each reference listed should include all the following information:

Client name, contact name and title, with current email address and telephone number for MTD to contact, as a reference

Type of insurance and/or services provided

Date and length of services provided

Brief description of responsibilities for the account held by service team members that may be proposed to work on the MTD Account

1

Client Name	Golden Gate Bridge, Highway and Transportation District (GGBHTD)
Contact Name, Title	Kelli Vitale, JD, MBA, SIP, Director of Risk Management and Safety
Telephone Number	415-716-9925 or 916-416-2305 (cell)
Email Address	kvitale@goldengate.org
Types of Services Provided	<p>We place the following types of insurance coverages for this client:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$85M ▪ Excess Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Environmental Liability ▪ Fiduciary Liability ▪ Crime ▪ Property ▪ Earthquake and Flood ▪ Auto Physical Damage ▪ Marine coverages including P&I, Jones Act, Hull, Pollution, MGL, etc. ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, catastrophe modeling, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	We have been their casualty broker since 2008, and we added the Property and Marine coverages mid-contract in April 2020. So, we place all of the Property, Liability and Marine coverages, plus we provide risk management services.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for the GGBHTD, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure during a very difficult insurance market.

	<ul style="list-style-type: none"> ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal. ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services to help the District prevent and mitigate losses lowering its cost of risk. ▪ For the Property renewal, we worked with the District on property values and adjusted the policy's loss limit based on this joint analysis. ▪ Completed catastrophe modelling to evaluate earthquake and flood limits. ▪ Evaluated self-insurance levels as more thoroughly described below.
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2

Client Name	San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (JPB or Caltrain) & San Mateo County Transportation Authority
Contact Name, Title	Marshall Rush, ARM, AIC, Insurance and Claims Administrator
Telephone Number	650.508.7742
Email Address	rushm@samtrans.com
Types of Services Provided	<p>Our team provides insurance brokerage and risk management consultation to the bus program, commuter rail system, and funding agency. In addition, we handle the insurance coverages for the San Mateo County Express Lanes JPA. We place all liability and property coverages for JPB (Caltrain), SamTrans, and Transportation Authority. Specifically, for SamTrans, which is the bus system most similar to MTD, we place the following coverages:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$99M ▪ Excess Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Environmental Liability ▪ Fiduciary Liability ▪ Crime ▪ Property ▪ Bus Physical Damage ▪ Kidnap & Ransom ▪ Volunteer AD&D ▪ For the railroad, railroad protective liability and FELA ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	1987 to present for SamTrans and 1992 to Present for JPB/Caltrain (start of operations). The current account team has been working with these agencies since 2001.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for SamTrans, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure during a very difficult insurance market. ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal.

	<ul style="list-style-type: none"> ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services to help SamTrans prevent and mitigate losses lowering its cost of risk. ▪ For the Property renewal, we worked with the District on property values and adjusted the policy's loss limit based on this joint analysis. ▪ Evaluated self-insurance levels. ▪ Helped implement a third-party certificate management tracking service. ▪ Introduced Select Actuarial Services for analysis of liability and workers' compensation claims.
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3

Client Name	Metropolitan Transportation Commission (MTC)
Contact Name, Title	Gertruda Luermann, ARM, Senior Program Coordinator
Telephone Number	(415) 820-7992
Email Address	gluermann@bayareametro.gov
Types of Services Provided	<p>We place the following types of insurance coverages for this client:</p> <ul style="list-style-type: none"> ▪ General Liability and Auto Liability at limits of \$20M ▪ Workers' Compensation ▪ Public Officials and Employment Practices Liability ▪ Cyber Liability ▪ Crime ▪ Property insurance for the BAHA building ▪ Drone Liability ▪ Foreign package ▪ Employed Attorneys Professional Liability ▪ Risk management consulting services including contractual risk transfer, evaluating self-insured retention levels, reviewing property values, catastrophe modeling, and loss control services. ▪ Claims consulting.
Date and Length of Services Provided	We have been MTC's insurance broker and risk management consultant since 2008. We place all of the Property, Liability and Workers Compensation coverages, plus we provide risk management services. We handle MTC plus BAHA, which owns the building that MTC and other public entities reside.
Service Team Responsibilities	<p>This same service team proposed for MTD, has designed and implemented a comprehensive insurance and risk management program for MTC, that would offer the same services to MTD. We have:</p> <ul style="list-style-type: none"> ▪ Designed a viable and creative insurance program structure with Self-Insured Retention levels that make sense to MTC. ▪ Procured Cyber Liability insurance and offered IT consulting services described later in this proposal. ▪ Provided claims consulting on unusual and difficult claims resulting in timely closure. ▪ Provided extensive risk control services for the building. ▪ For the Property renewal, we worked with MTC on property values. ▪ Provide expert risk management advice on numerous contracts with third parties. These MTC contracts are extremely complicated with services ranging from the Clipper Fare Payment card, to construction on the bridges, electronic toll systems, bike share programs, electronic toll lanes, etc. This experience benefits all of our clients, since we see so many different projects that they overlap with our clients.

- Our risk management expertise and analysis enables MTC to assess and evaluate risk for the projects it undertakes.
- We've provided training to staff on insurance and requirements in contracts so they can be more proficient in managing their projects.
- USI staff inputs insurance requirements and contracts into MTC's Ebix certificate tracking system. In addition, we are available and responsive in addressing questions from vendors whose certificates are being tracked by Ebix, MTC's certificate tracking service.

Include a one-page summary of the outcome of a service provided to one of the clients listed above.

Golden Gate Bridge, Highway and Transportation District (GGBHTD)

The Excess Liability insurance program we place for Golden Gate Bridge, Highway and Transportation District (GGBHTD) provides liability insurance for bodily injury or property damage to third parties from bus and bridge operations. This insurance we place also provides coverage for employment practices liability, and public officials' liability claims. The current limits for the current GGBHTD's Excess Liability Program are \$85 million, and it has selected Self-Insured Retention levels at amounts that make financial sense as a result of the loss forecasting work that USI has performed on behalf of GGBHTD.

The current Excess Liability insurance market for Public Entities remains extremely challenging, particularly for those entities in California with bus transit operations and a law enforcement component. Many insurers that had traditionally insured these types of risks have withdrawn from the market due to losses that have doubled, tripled, or even quadrupled over the past year especially in highly litigious states like California. GGBHTD is well-aware of the potential for large losses, having experienced some large ones arising from very serious bus/pedestrian accidents. We saw that MTD also had a large claims in 2019 of \$6,883,453. GGBHTD's two large claims in the past 15 years have had a significant impact on how insurance companies view the GGBHTD.

Many insurers have discontinued providing liability insurance for bus operations for the following reasons:

- ◆ Recent large settlements
- ◆ California locale
- ◆ Overall poor experience with auto/bus risks
- ◆ Nuclear verdicts/social inflation (a.k.a. exceptionally high jury awards)

USI has taken a creative approach to designing GGBHTD's insurance program. We have also evaluated alternative risk financing mechanisms to put together the most competitive risk transfer insurance program. **One of the goals that GGBHTD's Director of Risk Management & Safety identified was to evaluate alternative risk financing strategies, in addition to traditional insurance coverage.**

We agree that GGBHTD and MTD should always be considering alternative ways to finance its risk of loss, and we have provided some of the ideas we have explored for clients later on in this proposal, including pools, aggregate limits spread over multiple years, captives, etc. We suggest that this is an evolutionary process, and we have provided the following in response to that request/challenge and as part of the renewal process:

1. **Analytics and Loss Forecast.** USI's Analytics group prepared a Loss Forecasts to show how the GGBHTD's past Auto/GL and WC losses developed, for forecasting future losses. While not prepared by an actuary, it provided GGBHTD with some financial data as it evaluated higher self-insurance retention amounts. As a result of this analysis, the chart showed that the premiums for the higher SIR was justified, based on the historical loss costs. The District therefore increased its self-insured retention (SIR) on its Bus Liability program.

2. **Excess Workers' Compensation Cash Flow Option.** We presented this alternative to GGBHTD in 2018, as a means to save up-front premiums in exchange for assuming longer-tail risk on claims as they develop. These cash flow programs are more popular with larger organizations that have more frequent and severe losses than the District. However, we encourage GGBHTD to look at alternatives, to decide which ones make financial sense. Our Analytics group has prepared a Workers' Compensation stratification of losses to show how financially this alternative has not been viable.

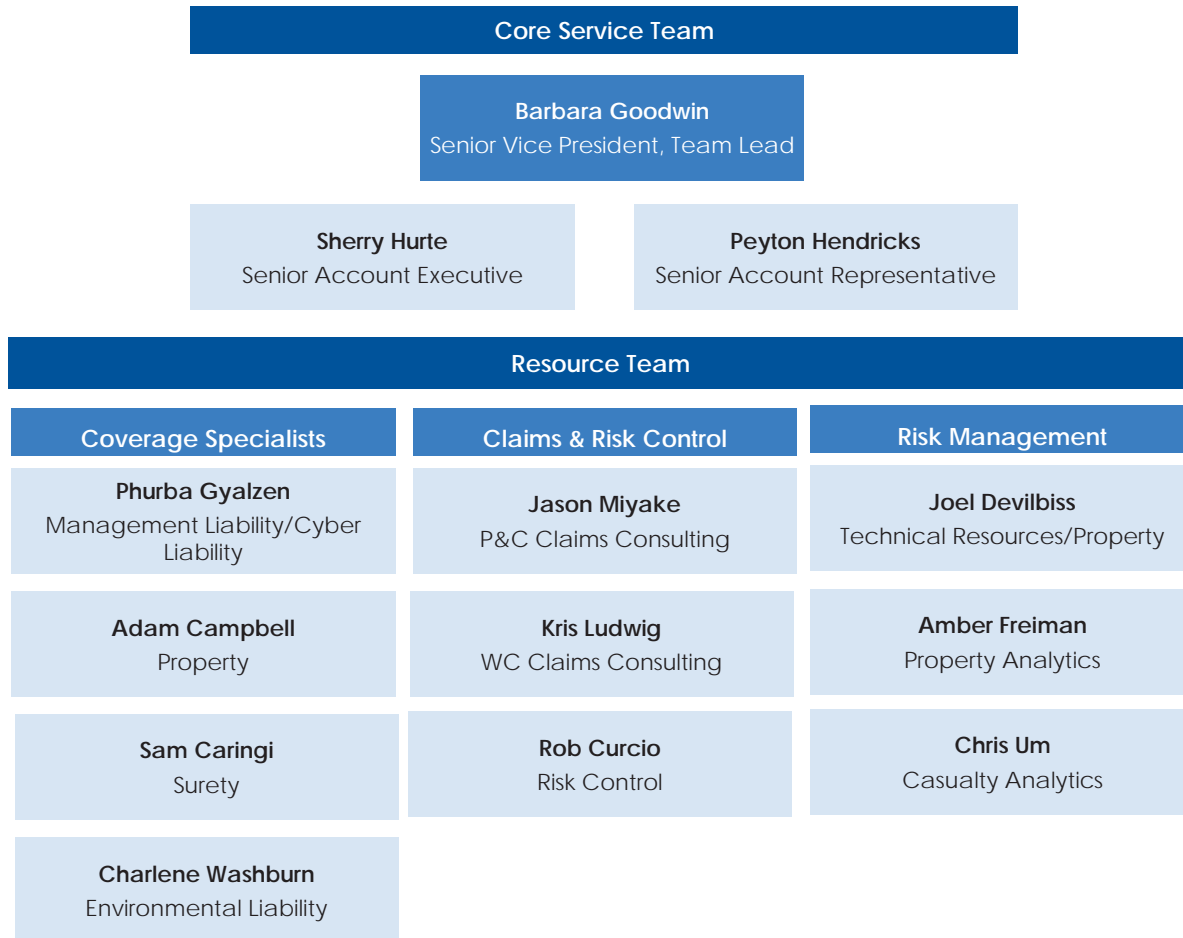
Offerors must provide a complete list of California public entities that discontinued the use of their services within the last ten (10) years.

USI as an organization lost the following California public entity clients in the last ten (10) years for various reasons:

- ◆ Cities Group Pool
- ◆ San Joaquin Regional Transit District
- ◆ Los Angeles County Metropolitan Transportation Authority
- ◆ County of Orange
- ◆ City of Huntington Beach
- ◆ Alameda Contra Costa Transit District

OPERATIONAL REQUIREMENTS

Offeror shall submit a project organization chart to delineate reporting relationships among assigned staff.



Offeror must provide evidence of good organization and best management practices.

Our only goal is your satisfaction. Team Leader Barbara Goodwin has ultimate responsibility for quality control for MTD. Simply saying this is not enough, our actions need to speak to this goal. Barbara has full accountability for the quality and timeliness of service, the deployment of resources, negotiation of service fees and commissions, and for obtaining feedback from you on our performance.

We will ensure unsurpassed brokerage and risk management support for MTD by doing the following:

- ◆ Provide MTD with the best talent our organization has to offer.
- ◆ Benchmark your program against others in the market to make certain we have achieved best available terms and conditions.
- ◆ Engage technical resources including our cyber liability, property, management liability, and analytics specialists for their insight and assistance.

- ◆ Provide you with innovation and creativity — not just in the first phase of our relationship, but throughout it. Periodically, we will bring you new ideas that have worked in other client engagements. We continually share ideas and successes through monthly calls with our public entity team. We also involve the resources of the firm. Our clients are better served when we provide a team of quality people in every discipline — top to bottom.
- ◆ Keep up-to-date on trends in your sector. We will offer suggestions on risk mitigation based upon our knowledge of county organizations and its trends.
- ◆ Seek out the appropriate resource and provide an accurate response in a timely fashion. We will never provide an answer to a question where we are not sure of the answer's accuracy.

As Team Leader, Barbara Goodwin will lead the team, and the delivery of services to MTD. Barbara works closely with Sherry Hurte, who is the Senior Account Executive working with MTD. Barbara and Sherry have been working together for 25 years on public transit accounts, so they have a seamless manner of providing superior service to clients. We provide a summary of the basic responsibilities the team undertakes to assure good organization and best practices.

How USI Assures Best Management Practices

Our basic service delivery model is built on a platform of local daily and administrative services supplemented by national and regional expertise according to discipline and industry. Because we do not have a chargeback or allocation of cost process for these consultants, they are accessible to our clients throughout the country. This is a different platform than many other brokers where internal consulting support requires internal charge backs.

Barbara and Sherry as the core team will develop a close working relationship with the key contact(s) in your organization. We will learn about your business and will be highly knowledgeable about all the resources available within our organization to assist you. While Barbara leads the team, Sherry is responsible for the daily account services that she and the service team fulfill.

Manage Relationships

- ◆ **Accountability** – Ultimate accountability for all aspects of service delivery to the client
- ◆ **Direct and organize service teams** – Ensure that all teams servicing a client are fully integrated, are clear as to client expectations, and that resources are made available
- ◆ **Frequent client contact** – Establish a program for visits for regular updates, reaffirmation of plans and objectives, and for the annual stewardship review
- ◆ **Monitor client objectives** – Anticipate and probe for new information to adjust our services or your risk management programs accordingly
- ◆ **Negotiate broker compensation** – Negotiate our compensation annually, or as needed for new or special projects—our goal is to be transparent with clients on our total compensation package

Assess & Address Client Needs

- ◆ **Client needs analysis** – Understand your unique needs and be able to respond to those needs through the appropriate product, solutions, and service offerings
- ◆ **Industry knowledge** – Understand the current issues in your industry so that we can develop and maintain a responsive and dynamic risk management strategy
- ◆ **Service delivery** – Ensure that we deliver high quality service, within your expected timeframes, to meet or exceed your expectations
- ◆ **Troubleshooting** – Resolve issues on your behalf within USI, with the insurance carriers, or other vendors
- ◆ **Program pricing and placement** – Obtain competitive pricing in the market, placed with good security

- ◆ **Compliance** – Ensure strict adherence to laws and regulations involving the placement of insurance policies, payment of premiums, and giving and receiving of notices

Relationship Development

- ◆ **Stewardship reviews** – Provide an annual stewardship review that summarizes the services provided in the previous year, special projects undertaken, coverage recommendations, and emerging issues
- ◆ **Client satisfaction** – Ask for feedback on our performance annually at a minimum
- ◆ **Procedural issues** – Ensure that there are written protocols in place, especially for claims handling

Policy Servicing

As part of our ongoing assistance in managing your risks, your account team can:

- ◆ Conduct an in-depth review of all policies to ensure coverage is correct and adequate
- ◆ Negotiate payment terms and conditions prior to binding coverage
- ◆ Coordinate and develop underwriting relationships between the client and the insurance carriers or vendors
- ◆ Verify accuracy of experience modifications, audits, and deductible or retrospective calculations
- ◆ Analyze leases and contracts for potential impact on the insurance program
- ◆ Allocate premium, preparing separate invoices to match the allocation if required by the client and allocating losses to applicable operating departments or strategic business units
- ◆ Arrange premium financing with reputable finance companies which offer competitive rates and payment terms
- ◆ Establish a formalized Certificate of Insurance program for clients' vendors
- ◆ Issue Certificates of Insurance and automobile ID cards

Marketing

We exercise quality control in the marketing process in a number of ways:

- ◆ We provide coverage specifications to our underwriters during the marketing process. Once coverage is bound, we compare all binding documents to our original specifications to make sure that all requested coverage is either outlined as provided or detailed as to where coverage is not provided.
- ◆ Maintain monthly open items meetings and closed items reports during the life of the engagement to maintain an audit trail on closed items and to provide constant incentive to bring issues to closure. This keeps open items fresh and outlines team members who have the responsibility to conclude issues. We also encourage occasional underwriter involvement in these meetings, so they can address items that may be their responsibility.
- ◆ Review individual policies, once received, against our binding documents and our specifications. Errors or issues needing clarification are outlined to the underwriter with a copy to the client alerting them that USI has identified the issue and is working to rectify the situation.
- ◆ Document form revisions and maintain a running file of document revisions in a policy development file.
- ◆ Share meeting minutes with all participants and ask if any items were missed or stated incorrectly. We will also provide an agenda for each meeting or conference call well in advance and solicit your input into these agendas.
- ◆ Perform an internal audit process where a compliance team randomly audits the marketing and client management files according to quality standards. All audit results are shared with the individual offices and audit deficiencies are highlighted and necessary improvement steps are outlined in the process.

- ◆ USI uses technology to extensively to improve efficiencies in the service model as well as risk analysis and identification.

USI follows rigorous compliance standards. In addition to quality control standards, offices and files are carefully audited for compliance with state surplus lines regulations including export lists and surplus lines filings, as required by law.

Offeror shall describe the firm’s experience and ability to access insurance markets to maximize availability of coverage and shall include available markets and volume of business. Offeror shall provide a list of support services to MTD such as:

Loss Control (including inspection and services)

Comprehensive Loss Control Services

Loss prevention efforts are one of the most important investments MTD can make when building and sustaining an effective risk management program. Beyond a lower total cost of risk, an effective loss control program can have a significant impact on employee and client satisfaction, market reputation, and stability of earnings. Our goal is to help ensure regulatory compliance, establish innovative loss reduction best practices, and assist management in developing and implementing engineering and management controls to combat loss potential. The services we offer are in a written action plan tailored to your specific needs and requirements.

Rob Curcio works with our public transit district’s locally and is USI’s dedicated Risk Control consultant for MTD. Rob can offer the following risk control services to MTD:

- ◆ Determine MTD’s risk control needs and long-term strategy.
- ◆ Determine carrier risk control objectives.
- ◆ Coordinate, implement, and oversee carrier-based risk control services.
- ◆ Provide feedback on carrier risk control site visit reports and recommendations/guidance on responses to carrier risk control recommendations.
- ◆ Accompany carrier risk control specialists on project assignments (as needed.)
- ◆ Develop and implement specified risk control programs/projects as needs arise.

Rob Curcio will offer to MTD access to the USI Risk Management Center (RMC), exclusive to USI customers. Here is a summary of the information available on that portal:

Risk Management Center	
— Web-based Portal	<ul style="list-style-type: none"> ▪ Safety Policies and Programs ▪ Online training and PowerPoints
— Free Safety Programs	<ul style="list-style-type: none"> ▪ Streaming safety videos, Toolbox Talks, and Learning Management System (LMS).
— Wellness and health management content	<ul style="list-style-type: none"> ▪ Audits and Safety observations: this mobile feature can organize, create, target and resolve issues before they come become incidents. ▪ Certificate of insurance tracking: turns COI tracking into a desktop function to manage certificates of insurance from all sources. Upload and archive COI, RMC tracks and reviews expirations, coverage limits, and policy detail.
— Educational webinars	<ul style="list-style-type: none"> ▪ Incident/Accident reporting: generates incident reports, OSHA 300 log, and first report of injury. Track claims costs, near miss and all incident types. Provides trending

<ul style="list-style-type: none"> — English and Spanish language — Online training and learning management system 	<p>graphics based on data input and tracks liability, property, environmental and fleet incidents.</p> <ul style="list-style-type: none"> ▪ Safety Data Sheet (SDS) tracking: this desktop access feature assists with maintaining a chemical database by location, find SDS information online, and print hazard labels. ▪ OSHA Recordkeeping ▪ HR and benefits resources: includes customizable employee handbooks, recruitment and hiring best practices, training, and so much more. ▪ Ask the Expert: provides the direct access to safety professionals.
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Property Loss Control

In property loss control, we serve as advocates and trusted advisors to the client. We provide property loss control engineering and advisory services in a timely and cost-efficient manner. We are available to all facilities and to the Risk Management team for consulting on any property or business-related hazard risk questions by acting as an extension of your staff on all projects involving the need for physical protection or exposure mitigation.

Specifically, we expect to:

- ◆ Visit major locations to ensure the level of protection is maintained at the appropriate level.
- ◆ Review any planned or contemplated changes to ensure the appropriate level of protection is budgeted with any project.
- ◆ Review specific interdependencies between facilities and supply chain issues that may impede operations.
- ◆ Act as a sounding board with regard to conceptual planning.
- ◆ Provide project review for additions, alterations/renovations, changes in occupancy, process changes, etc.
- ◆ Ensure proper insurance carrier services are provided where applicable.
- ◆ Utilize the carrier review as a check and balance of contractor performance.
- ◆ Review all insurance carrier correspondence and reports. Act as the focal point of managing the carrier resources and involvement with clients.
- ◆ Transmit property insurance recommendation reports to ensure that all matters are addressed and resolved to the satisfaction of clients.
- ◆ Provide alternative suggestions to recommendations that may be more cost-effective.
- ◆ Negotiate with insurers over the appropriateness of alternative solutions and business applicability of implementation timing.
- ◆ Review the prioritization of recommendations and amend as necessary. Decisions on recommendations may be considered as business decisions, especially where large capital expenditures may be involved.
- ◆ During any property insurance renewal process or in the event of any marketing attempt, provide property descriptions and advocacy as needed, with regard to items such as diagrams, water supplies, elements of protection, changes implemented, etc.
- ◆ Review building replacement values using the Marshall & Swift online program. This will act as a guide in determining if values are appropriate for insurance purposes. This is not an appraisal, however, and the team will determine if one is needed.

- ◆ Using the AIR modeling software, conduct natural hazard exposure analysis as a check for actual exposure conditions. Occasionally we find a property is only partially exposed and can adjust the PML on the actual conditions present.
- ◆ Advise and consult with MTD to address questions and concerns regarding any actions or exposures that may affect client properties, assets, and operations.

PATH™ - Uncover Top Business Risks & Unlock Significant ROI

USI PATH is a proprietary risk control platform that delivers a clear, interactive, and transparent journey through the complex risk control process. Offering indisputable data and a clear view into your industry risk profile, PATH provides:

- ◆ Valuable insights into key loss factors and their impacts through a real-time, interactive experience
- ◆ A way to uncover areas of potential improvement for your risk control programs and a path toward better claims results
- ◆ Curated vendor solutions with preferred pricing and ROI projections

With more than 1,500 risk control solutions available, 86% of the solutions offering multiple products to serve you better, and a 9:1 ROI on Personal Safety Alert Devices noticed in year one, PATH will enable you to gain clear insights with visibility into top loss drivers and impact.

Appraisal Services

Property Analytics Valuation Services

Assessing your property values is an important step in the renewal process since your coverage and limits purchased are derived from the values you report to the carriers. The cost to repair or replace your buildings and personal property are impacted by inflationary trends factoring in cost of labor, cost of materials, availability of labor and other items. Valuations need to adjust over time to reflect the current cost to repair or replace building or contents should a loss occur. Similarly, your business interruption values, which change as your revenue increases or decreases, need to also be evaluated at least annually or when acquisitions or divestitures occur.

USI uses various software platforms and benchmarks to advise you on property valuations. Whether it be your building values, equipment values, content values or business interruption values, USI has the tools, resources, and experience to keep your values in alignment with market expectations and current replacement cost estimates. Our Property Analytics & Placement group provides the following services to evaluate the adequacy of your property values:

- ◆ Reviewing your current statement of values for key data points that factor into the valuation of the building, contents, or business interruption calculations
- ◆ Gathering or confirming any missing information through various software platforms, previous appraisals, or previous risk engineering reports completed to assist in developing the correct replacement cost estimates
- ◆ Completing a benchmark review of your building, content, and business interruption values
- ◆ Utilization of CoreLogic (aka Marshall & Swift) and E2 value valuation software to estimate the appropriate replacement cost
- ◆ Assist with completion of Business Interruption and Extra Expense worksheets to evaluate the values reported
- ◆ Review pre-emergency and business continuity plans to evaluate their impact on the business interruption values reported

- ◆ Provide recommendations for building, contents, and business interruption values based on the analysis completed along with estimated premium change based on current program rates
- ◆ Engage with third-party appraisal firms to appraise single locations or multiple locations if needed, at the client's cost

Keeping current with valuations and market expectations is a critical component of every renewal. As these replacement cost factors and your revenues change over time, it is critical to review these values every year to ensure your values are adequate, avoiding under-insurance, harmful exclusions, restrictions, or warranties placed on your policy that will result in a lower claim recovery following a loss. USI will complete this review every year to ensure you are reporting adequate values to align with your changing exposures. Adam Campbell, Joel DeBVilbiss and Amber Freiman will provide support property analytics support services to MTD.

Claims Handling

USI's role as a claims advocate is important to us and MTD. We will assist MTD with receiving a **positive outcome on all claims**. It is also critical for our claims team to provide the following ongoing support:

- ◆ **Advocacy on MTD's behalf** - Advocate and negotiate with insurers on disputed coverage issues to obtain favorable results.
- ◆ **Monitoring and consulting** - Monitor and consult on claims that involve high severity or adverse consequences to ensure proper investigation, aggressive management, and prompt resolution.
- ◆ **Aid in settlement of claims** - Assist with claim settlements and collecting insurance proceeds, including seeking advance payments on large losses.
- ◆ **Support MTD's policies and procedures** - Manage claims in accordance with MTC's policies and guidelines.

Our California claims team has dealt with **bus accidents** of all varieties; fatalities and serious injuries, which are often critical and complex that can develop into problem claims. We regularly **review insurer reservation of rights, denials, disclaimers, requests for non-waivers, and questions**.

Our claims team is well-versed on the special procedures required under **California law for public agency claims** and have worked with our transportation clients to ensure timely-reporting and coordination with multiple carriers, always as a strong advocate on their behalf.

The goal in resolving large claims is to assure that all parties involved with the process have a common understanding of what occurred, what needs to be done and by whom to facilitate a recovery, and what obstacles may arise in route to the final settlement. Jason Miyake is the lead claims consultant for P&C claims.

Complex Casualty Claims

Many claims are challenging and complex due to the incident facts or coverage issues that may arise. Having experienced claim resource advocates who can assist MTD in addressing these challenges is extremely important to obtain optimal claim resolutions. We have developed a network of claims technical expertise and advocacy strategies that include the following services:

- ◆ Proficiency in reviewing specialty coverage line policies such as Liability, Directors & Officers (D&O), Employment Practices Liability (EPL), Environmental, Cyber Liability, Property and Crime
- ◆ Policy interpretation, insurance research, written advocacy, and negotiation to resolve claim denials and adverse coverage allocation issues
- ◆ Clarification of reservations of rights and defense issues such as choice of counsel, conflicts of interest, independent counsel, and reimbursement of fees and expenses

- ◆ Resolution of insurance carrier disputes that may involve primary/excess or additional insured issues
- ◆ Contract review
- ◆ Establishment of relationships with insurance carrier's executive claims leaders to assist in resolving claim administration disagreements
- ◆ Placement guidance and policy form review

Strategic Claim Reviews

With so much at stake in the outcome of a claim, a strategic claims review provides MTD with the opportunity to take an active role in the claim process and thereby make informed decisions.

A strategic claims review can provide a Risk Manager and Claims Lead with a second opinion regarding reserves and help drive claim resolution strategies. The process reduces the potential for claims "falling through the cracks" and being neglected by staff for an extended period. It also reduces the risk of financial surprises if reserves are under or overstated.

Our strategic claim reviews are planned and scheduled discussions with adjusting staff to assess claim handling performance and strategies with the goal of maximizing claim outcomes for our clients. Our methods include in-person meetings or virtual reviews, depending on the needs and structure of the program.

This process affects the closure of neglected files as well as aids in developing strategies to eliminate or cap the cost of claims with future financial exposures.

Workers' Compensation Claims Solutions

We provide an innovative solution for clients who are interested in reducing workers compensation costs, but do not have the breadth of internal resources to develop and manage their program. Our Workers' Compensation Claims Solutions team can be engaged to manage the claim process in its entirety and help lower your total cost of risk (TCOR). Our turnkey approach includes:

- ◆ Assuming claim management responsibilities from report through resolution
- ◆ Marshalling modified duty return-to-work programs
- ◆ Maintaining OSHA recordkeeping and state compliance posting notices
- ◆ Creating advanced strategies to reduce the Experience Modification Factor (EMF)

In a typical workers compensation claims scenario, claims are reported directly to the insurance carrier. Since MTD is self-insured, then claims are reported to the Excess Workers' Compensation carrier if they meet certain criteria; the policy defines these criteria, but it is typically similar to the Excess Liability program, including the "7 deadly sins" such as fatalities, head injuries and loss of limb, and/or claims that are reserved at 50% of the SIR. USI expects to spend greater attention on these types of claims, or on those that are considered "problematic" claims. Through early intervention and constructive engagement, we get the claim off on the right foot, resulting in better managed medical care, quicker return to work, and more satisfied and productive employees.

Our clients can expect:

- ◆ Effective three-point contact with the employee, physician, and carrier/claims staff
- ◆ Facilitation of injured employees to approved medical vendors
- ◆ Diligent oversight of insurance carrier/claims staff protocols
- ◆ Active dialogue on claim progress with client
- ◆ Outcomes measurement

Kris Ludwig is the USI WC Claims consultant who will be working with MTD.

Claim Reports

Reporting Losses, Updates, Loss Data Reports Deductible Stratification, & Summarized History

Assisting clients with claims documentation and developing clear claim reporting instructions are core advocacy services and will be addressed within the first 30 days of our appointment. We will facilitate monthly loss reports from the carrier/vendor and, in collaboration with MTD, evaluate loss runs for accuracy to assure data integrity. Other customized reports such as deductible stratification and summarized histories are available through ClaimsLens.

Certificate of Insurance and Endorsement Management

The USI account manager for MTD will handle all certificate related questions, and we have a 24 hour or less turnaround time for certificate. USI service teams have multiple backups in the event your dedicated account managers are not available. This ensures any requests will be handled as soon as possible and not when the service team member returns from absence. Additionally, USI offers secure web-based tools, such as InsurLink, USI's portal for client collaboration and self-service resources, which enables our clients with 24/7 access to issue standard certificates instantly from any web-based computer and offers the following services:

- ◆ Multiple certificate templates
- ◆ Ability for you to issue certificates
- ◆ Ability for you to view and reissue previously issued certificates
- ◆ Ability for you to add new certificate holders
- ◆ Password protection to limit access to the program at your discretion
- ◆ Mobile app to view and issue certificates on the go

InsurLink

Our Portal for Client Collaboration and Self-Service Resources

<ul style="list-style-type: none">— Viewing or issuing Certificates of insurance— Viewing, printing, or emailing Auto ID cards— Sharing Information	<ul style="list-style-type: none">▪ Certificate of Insurance – Our service team will issue certificates of insurance for you. If you need to print a copy of a certificate or would prefer to issue your own certificates, you can use this service to instantly view, print, or email a certificate directly from your computer or mobile device.▪ Auto ID reprint – View, print, or email Auto ID cards▪ Policy Information – Review policies and endorsements and other key program documents▪ Document sharing – Post and update Statements of Value, schedules of insurance and similar documents.
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InsurLink services come at no cost to our clients.

Additionally, we offer the certificate holders CertVault, a secure website to retrieve all their certificates.

USI also offers an online platform called the RMC (Risk Management Central) Certificate of Insurance (COI) Tracker that allows clients to manage incoming subcontractor and vendor certificates of insurance

to prevent unexpected liabilities. This tool is part of USI's Risk Management Center platform and is described below.

RMC Certificate of Insurance Tracker

This tool, which is part of the RMC platform, turns certificate management into a desktop function allowing you to minimize risk efficiently and effectively by maintaining up-to-date vendor records. This helps your company minimize liability assumed from uninsured or under-insured vendors, contractors, suppliers, or tenants. The time to load individual certificates for the first time can range from 1 – 5 minutes depending on the level of detail desired to input into the system. Workflows may be established to allow certificate requests, expiring certificates, and non-compliant certificates to be easily batched together and managed simultaneously rather than one at a time saving significant time and resources. Reports on all aspects of the certificate management process may be pulled in excel format with the simple click of a mouse.

If MTD wants a more robust certificate tracking service, these are offered by specialty firms, such as Ebix, described later in this proposal. MTD would contract directly with Ebix, and would pay a fee to them. We provide services that support setting MTD up in Ebix, and can help answer questions.

Other services, including but not limited to those outlined in the attached Scope of Services.

Consultation on 3rd Party Contracts

All of our public entity clients' contract with third-party consultants, vendors, and suppliers to complete various projects. We assume that MTD mitigates their risk of loss by effectively transferring risk through contracts. We have a tremendous amount of knowledge and experience in this facet of risk management consulting. Unlike many other brokers who simply provide their clients with a one-size fits all "contract insurance guide", we consulted with our clients to update their insurance requirements.

Here are examples of value-added third-party contract services:

Complex contracts – Barbara and Sherry routinely consult on challenging or large complex contracts advising on the types of coverage to require, adequate limits, and coverage terms and conditions.

Leases or Licenses – Sherry regularly consults with our clients' Real Estate Department on Leases and other Licensing documents to ensure that these third parties have the proper insurance coverages.

Training – We regularly prepare and present training materials on this subject matter, for risk management staff, procurement, legal and other impacted staff.

Contract manual – We prepared a contract manual (for an additional fee) for one client that they reference for insurance requirements in contracts. For others, we prepared a coverage matrix that they use as a guide for insurance levels.

Surety Needs of Public Entities

USI has surety brokers who also provide consultative services to our public entity clients, as they decide whether to require performance, bid and payment bonds for construction or other projects. Our specialists will review existing language in contracts and will speak directly to procurement, risk management and legal staff at public agencies since surety bonds are so unique. USI will review MTD's needs and offer to engage Sam Caringi as a surety specialist for MTD.

Casualty Risk Analytics Consulting

USI's Analytics Consulting Team can provide analytical consulting for MTD. Many of our public entities appreciate an analysis of their losses, to evaluate different levels of Self-Insured Retentions they should consider and also Liability limits. Upon policy renewals, our Analytics Consulting Team can provide MTD loss forecasts for the casualty coverages at **various deductibles/retentions** so that we can provide appropriate cash flows and decision tools allowing you to be aware of the program costs associated with the programs being presented. These services are available to MTD as needed, and these services will be offered by Chris Um.

A summary of the casualty analytic services available to clients are as follows:

Accrual analysis (outstanding liability)	<ul style="list-style-type: none"> ▪ Determine appropriate remaining liabilities to accrue on financial statements ▪ Communication of reserves to outside accounting firms ▪ Interim report updates of annual actuary analysis
Risk retention analysis	<ul style="list-style-type: none"> ▪ Evaluate risk versus reward (premiums versus expected losses) ▪ Quantify potential variability to determine pessimistic case ▪ Consider management's risk appetite
Cash flow analysis of risk financing alternatives	<ul style="list-style-type: none"> ▪ Compare alternative programs on a Net Present Value (NPV) basis ▪ Discount at client's weighted average cost of capital or internal rate of return
Cost of risk allocation	<ul style="list-style-type: none"> ▪ Engage business units in loss reduction efforts ▪ Customize to satisfy client's goals and objectives
Risk bearing capacity analysis	<ul style="list-style-type: none"> ▪ Financial statement analysis used in conjunction with traditional loss analysis methods ▪ Starting point in determining acceptable retention levels ▪ Shows impact of unbudgeted retained losses on financial statement

USI analyzed MTD's Self-Insured Retention and Limit for its Excess Liability program, and provided some charts that Chris prepared, sharing that analysis.

USI Answerlytics

USI has negotiated discounted rates and priority access to IT vendors that can provide IT security services in support of MTD's Cyber security efforts. USI has prepared a list of these vendors, called Answerlytics Curated Providers (ACP), to help USI clients meet and maintain the cyber controls and practices on which cyber underwriters focus. The types of services these vendors provide are:

- ◆ Multi-Factor Authentication
- ◆ 24/7 Network Monitoring
- ◆ Backup Practices
- ◆ End Point Detection
- ◆ Network Segmentation
- ◆ Privacy Controls
- ◆ M&A Review and Vendor Controls
- ◆ Patching, Pen-Testing and Vulnerability Scans

- ◆ Domain Administrator Group Hardening
- ◆ Law Firms with Cyber Expertise
- ◆ Cyber Risk Assessment
- ◆ Privileged Access Management

Please refer to [Appendix I](#) for a recent copy of this proprietary list of vendors for MTD.

Based on the Offeror's review of MTD's existing property/casualty insurance portfolio (presented in the attached Scope of Services), provide suggestions for enhancing, consolidating and/or adding additional coverage(s) for the benefit of MTD including but not limited to:

Insurance

Alternative Risk Financing, including but not limited to Self-Insurance, Captive Insurance and Risk Retention Groups

Finite Risk Programs

The USI team proposed to be working with MTD, are public transit specialists, who are knowledgeable and creative in providing risk financing solutions to our clients. Here, we are offering recommendations for enhancing coverages, and also exploring alternative risk financing solutions that we have presented to other public entity clients. We have organized this section according to the various coverages that MTD currently has, or that we can propose. We provided further details on MTD's specific coverages in the Price Proposal-Compensation Strategy section that specifically asks for comments on limits and coverages, and additional coverages MTD should consider.

Business Auto Liability and General Liability

It is best to combine the Auto Liability and General Liability insurance coverage for public bus districts, given that the individual claims can impact both policies. While a little unclear, it looks like MTD's coverages may be combined and that its coverage are written by one insurer, National Interstate Insurance Company. This carrier is well known for writing competitive premiums for those clients it has written for a long time, and likes its risk profile.

It also looks like National Interstate handles MTD's claims, and charges separately for that.

We did see that MTD had one very large claim of \$6,883,453 on 10/10/19. After that big claim, the next largest claim is \$254K. As described earlier, the current Excess Liability insurance market for Public Entities remains extremely challenging, particularly for those entities in California with bus transit operations and a law enforcement component. Many insurers that had traditionally insured these types of risks have withdrawn from the market due to losses that have doubled, tripled, or even quadrupled over the past few years, especially in highly litigious states like California. Therefore, that \$6.8M loss in 2019, may be closer to \$10M or even more, in today's dollars.

Below are some ideas and strategies we have implemented at our other public bus districts that may be of interest to MTD:

- ◆ **Add coverage for the Public Officials Liability and Employment Practices Liability to the Excess Liability coverage program.** Many insurers in this public entity space will include those coverages, which could be an economic way to cover these exposures. We should also mention since our other clients have such high SIR levels, we have placed standalone Public

Officials/Employment Practices Liability policies to fill the Self-Insured Retentions on the Liability programs.

- ♦ **Quota share vs. layering** – As insurance carriers have withdrawn from writing insurance or have substantially reduced limits for public bus districts, we have structured quota share programs with multiple markets sharing layers. That way, we are not so reliant on one insurer to provide the limits; for MTD, National Interstate appears to provide the entire \$15M in limits. If it non-renews this insurance, or cuts back on limits, MTD is vulnerable to seeing significant premium increases. By attracting new markets to participate on the program now, it reduces MTD’s reliance on a single market.
- ♦ **Higher retentions** – MTD may want to consider higher retentions in exchange for premium savings. We provided some analytics which show potential claim costs with higher self-insurance levels, and how substantial premium savings may offset the rare large losses. For other clients, these higher levels of self-insurance enabled USI to access more markets willing to offer quotations, and use that as leverage to negotiate for the very best premiums.
- ♦ **London and Bermuda capacity** - USI attracted London capacity for significant premium savings, by adding aggregate limits to the Auto (Bus) Liability insurance. This was a creative approach, which generated over 30% in premium savings for another client.
- ♦ **Limits** - Evaluate whether MTD’s limits are adequate. USI provided some benchmarking later for MTD’s consideration.
- ♦ **Carriers** - We intend to access every possible insurance carrier willing to write Bus Liability insurance for MTD since insurance carrier appetites change every year.
- ♦ **Understanding the exposure** - USI ensures that insurance underwriters understand the exposure. For one client, we highlighted the distinction for “law enforcement,” compared to our client’s “armed security force,” who are not fully sworn officers. This distinction is perceived by underwriters as a lower exposure resulting in lower premiums.

USI will discuss MTD’s goals every year, considering the insurance market changes each year.

Self-Insurance, Pooling and Captives

As described earlier and also later in this proposal, our clients’ express interest in a liability insurance pool or alternative risk financing mechanisms, such as Captives. While Auto Liability remains a tough class of business in the traditional insurance market, there has not been any growth in the formation of new pools for large public bus districts, for the following reasons:

1. There has been “adequate” capacity in the traditional insurance market, although such capacity has become more limited for bus districts in California, especially for the lead layer. While casualty insurance pricing has been hardening for individual insureds, pools have also seen their reinsurance premiums increasing substantially. These pools rely on the same insurance companies that MTD does, for reinsurance.
2. With pools, members fund the pool and therefore share losses. As a result, even members with limited losses may have to pay assessments since there is not as much spread-of-risk as traditional insurance.
3. One rail agency client is considering establishing a single parent captive to fund \$79M xs. \$323M in Rail Liability insurance limits, instead of paying premiums in the London/Bermuda market.

Cyber Liability

This insurance protects the organization from Cyber Liability losses, described in the following chart:

Key Definitions

The Key Definitions contain generic definitions for common types of insurance. Not all coverage types are defined and some of those that are defined may not be included in your insurance program.

Privacy Liability: Covers liability arising from failure by the Insured or an Independent Contractor to properly manage, store, destroy or otherwise control Personal Information, or an unintended violation of the Insured's privacy policy that results in the violation of any Privacy Regulation.

Network Security Liability: Covers liability arising from a failure of Network Security, meaning those activities performed by the Insured, or by others on behalf of the Insured, to protect against unauthorized access to, unauthorized use of, a denial-of-service attack against, or transmission of unauthorized, corrupting or harmful software code to the Insured's computer system.

Internet/Multimedia Liability: Covers liability arising from the electronic publishing, dissemination, releasing, gathering, transmission, production, webcasting, or other distribution of Internet Content on the Insured's website.

Network Extortion: First party coverage. Reimburses for payments made under duress to address an extortion threat.

Data Breach Expenses: Covers Notification, Monitoring, Call Center Services as required by law, Forensics and Loss Control, PR & Crisis Communication Services.

Regulatory Proceedings: First party coverage. Covers Defense and Penalties related to civil proceedings brought by FTC, FCC or similar governmental entity.

Digital Asset Protection: First Party coverage. Pays costs incurred to replace, restore or re-collect Digital Assets due to corruption or destruction caused by a Network Security failure.

Business Interruption: First Party coverage. Pays Income Loss and Extra Expense incurred by the Insured during the Period of Restoration resulting directly from a covered Interruption of service as a direct result of a data security event.

Social engineering (impersonation fraud) is also an important coverage that is typically included in a Cyber Liability program and/or Crime insurance program. It covers loss caused by the good faith transfer of money, securities, or other property as a direct result of fraudulent instructions given by a person purporting to be a vendor, client, supplier, or employee authorized to provide such instruction.

Cyber Liability is critical for all of our public transit clients, and we feel that MTD is currently under-insured. We provide more details about the specific reasons for under-insurance based on benchmark data included in this proposal, later in the Price-Proposal compensation strategy section that requests comments on insurance limits and retention amounts.

Commercial insurance is the best and most cost-effective way to protect MTD for Cyber Liability losses, rather than through alternative risk financing approaches. Cyber insurers not only provide the insurance, but many insurers also offer network scans that would alert MTD of vulnerabilities but also provide other support such as a breach coach once MTD realizes there may be a problem. Our Cyber specialist ran a scan and identified vulnerabilities as per the attached report, which should be helpful for improving MTD's IT security.

Please see a portion of the attached report in [Appendix II](#). USI would be happy to provide the full report upon request.

Directors and Officers Liability and Employment Practices Liability

Public officials (directors and officers) liability and employment practices liability (EPL) are important coverages that MTD maintains. This insurance policy pays claims for MTD arising from employment practices for coverage of discrimination, harassment, and wrongful termination claims. In addition, the public official's liability insurance covers potential claims made against the Board Members for alleged wrongful acts.

Many of our public entity clients have experienced losses on this insurance program. As a result, there are a limited number of insurers offering this coverage, even though we market this every year to the pertinent insurance carriers. But insurance is still an effective way to finance losses for these types of claims, and we don't recommend alternative risk financing mechanisms for this exposure. USI does have the following questions from the information MTD provided in the list of insurance coverages in the Scope of Services:

- ◆ The \$3M claim/\$6M agg limits shown look unusual, so USI would like to see why it's structured that way. Maybe it's separate D&O and EPL limits, but it is still an unusual structure.
- ◆ We would like to confirm that the definition of insured specifically includes public officials.
- ◆ Does the EPL provide broad coverage for 3rd parties? Third party Liability insurance covers claims brought by non-employees (such as customers, passengers and vendors) against your employees.

Fiduciary Liability

This policy will pay on your behalf sums MTD becomes legally obligated to pay as a result of a covered wrongful act. A wrongful act means a breach of fiduciary duty, including negligence, by you in the discharge of duties as respects the retirement plans. If you are involved in any way with the management of that plan, you are likely considered a fiduciary and are personally liable for your actions. We see that MTD has a \$2M limit for this insurance coverage.

Property, Equipment Breakdown, Earthquake and Flood

We see that MTD has separate policies for Property (including Equipment Breakdown), Earthquake and Flood. It would be possible to combine all of these coverages into one policy, to achieve some economy of scale. We would have to identify an insurer willing to take on all of those exposures, but we do have some of our public entities with combined programs.

The property insurance market is now being impacted by some catastrophic (i.e., hurricane /earthquake/ flood/ wildfire) losses that are occurring with increasing frequency. However, despite these events, the property market has softened for our public entity clients, and we have achieved premium savings and improved coverage terms.

Some of the innovative strategies that USI has implemented to attain premium savings and improved coverage terms for our clients that MTD may also benefit from, are as follows:

- ◆ Evaluate whether the policy's loss limit is appropriate based on the concentration of values. For one client, we were able to reduce the loss limit from \$125M to \$76M; the loss limit is the maximum possible loss per occurrence. This resulted in premium savings. We evaluate this loss limit each year to ensure it is adequate to cover the client in case of a loss.
- ◆ Increased the deductible from \$100K to \$250K for meaningful premium savings, since it made financial sense. We had then looked at increasing the deductible from \$250K this year to \$400K, but the premium savings was only \$20K, so it did not make financial sense.

- ◆ Accompanied the insurer on some loss control visits, even during Covid, at some key locations it wanted to survey. By accompanying the insurer, we were able to address many of their questions, making them comfortable with insuring our client.
- ◆ Evaluate the replacement cost values on the buildings each year, using Marshall Swift, to ensure the values are appropriate. Given high inflation rates, insurance carriers are automatically expecting clients to increase their values, so by running these Marshall Swift reports, we're proactively advising the insurance markets that the client has proper insurance values. By doing that, we negotiated removal of the 125% margin clause for one client; this provision restricts coverage to 125% of the value shown for each location on the Statement of Values. The coverage is vastly better without the margin clause since the client will then have coverage for each location up to the policy's loss limit instead.
- ◆ USI creates a Catastrophe (CAT) modeling report which provides detail on what exposure MTD would have to catastrophes, including wildfire, earthquakes and flood. Other clients have used that report to establish the limits of insurance they purchase.

We market the Property placement every year to various insurance companies to ensure we negotiate the broadest program at the most competitive premium.

MTD already has Earthquake and Flood insurance coverages, and we will continually look at options for insuring these catastrophes with the traditional insurance market.

Self-Insurance, Pooling and Captives

As mentioned above, USI provides analytical consulting for risk management clients; this enables us to provide attractive risk financing techniques for clients. Specifically for Property, USI presented the following "outside the box" solution:

1. **Parametric Earthquake Solution.** USI engaged Swiss Re to discuss / present a parametric index insurance solution that provides the rapid disbursement of funds that public entities incur following an earthquake.
2. **Parametric Earthquake coverage for Bridges.** USI worked with another insurer to quote parametric coverage for the SF Bay Area bridges, for not only damage to the bridges, but also potential lost revenues.

Excess Workers' Compensation

We see that MTD self-insures its workers' compensation claims, and purchases Excess Workers' Compensation insurance to cover potentially catastrophic claims. MTD self-insures the first \$250,000 of a single claim and purchases unlimited statutory limits above that retention.

There are not a lot of markets willing to write Excess Worker's Compensation insurance for public entities given their claim frequency and severity, plus the long tail on these claims. It looks like MTD is currently insured in the PRISM program. Other markets currently offering Excess Workers' Compensation insurance for CA public entities include Safety National, Midwest Employers, Arch and Chubb (ACE).

Other Coverages MTD Should Consider

Crime - We have seen claims from public agencies where employees have embezzled cash. Crime insurance responds to claims arising from theft of money, securities and other tangible property by employees. These embezzlement claims generally go undetected for a long period of time, so the claims can be large. Most of our public entity clients purchase crime insurance since the premiums are reasonable compared to the risk.

These policies are also expanded to include fraud by third parties (forgery, for example), theft of property from the premises, and social engineering (impersonation fraud).

We do see that MTD has an ERISA bond, but not a separate Crime policy. The ERISA bond can be added to the broader Crime policy.

Drones - Drones are becoming extremely popular and many public entities are buying them for surveying, inspections and photography. Insurance claims of bodily injury, property damage, and invasion of privacy can be costly, and since this is excluded on standard programs, separate insurance is available at very low premiums.

Non-owned aircraft liability - Some of our public agency clients will charter aircraft or helicopters to take pictures of major construction projects. Some also have employees who are pilots, who may fly their personal aircraft for business. Since the general liability insurance policy excludes aircraft liability losses, the public entity procures a non-owned aircraft liability insurance policy.

Kidnap, ransom & extortion - This specialty insurance covers ransom payments, extortion threats, and related expense costs for negotiators and crisis management specialists.

Sexual Abuse and Molestation (SAM) – While losses from this exposure are more common in schools and churches, the MTD does have an exposure to this. We would like to confirm that MTD's excess liability program has coverage for this. Standalone insurance policies are available, if interested.

Environmental Liability – We assume MTD has numerous environmental exposures, including underground and above ground fuel storage, storm water run-off, and air emissions from vehicles. MTD's environmental risks should be well controlled and are frequently audited by local, regional, State and Federal agencies.

Our other public transit districts purchase multi-year (3-year) pollution liability policies with a premium that is paid in the first year of placement. USI markets this insurance every three years, and a three-year policy is a cost-effective way to insure this exposure. We consult with our environmental specialist broker, Charlene Washburn on this coverage, plus we also work with her on any third-party contracts with any unique environmental exposures.

Auto physical damage – MTD owns a fleet of buses and currently self-insures the physical damage losses to them. A few of our public transit clients purchase insurance for such damage. Many public agencies own a fleet of pool cars and 24-hour vehicles, We can look at insurance, and consider various valuation options such as replacement, actual cash or stated value.

Employed Lawyers Liability – Some of our public entity clients have this insurance that covers lawyers who are employed by MTD. Coverage also includes pro bono work that MTD's attorneys may be doing as well.

Standalone Terrorism Insurance / Active Assailant - In 2016, a new "Active Shooter" coverage was introduced to the public entity insurance market, at first designed especially for educational institutions and is now available to all public entities.

Most of our public transit clients do not currently purchase this separate insurance, but instead rely on the TRIA coverage included in their insurance programs. While TRIA has been in place since 2001, no event has yet been declared a terrorist act. We therefore strongly recommend that clients consider Terrorism insurance coverage, at a minimum. But there are many other related coverages that we recommend, and USI has developed proprietary products through our London broker partner, Price Forbes. Here is a suite of the insurance coverages available and that we offer:

- ◆ Terrorism and Sabotage (As an alternative to TRIA)
- ◆ Political Violence (War on Land)
- ◆ Strikes, Riots and Civil Commotion (SRCC) with writeback for Looting

- ◆ Terrorism Liability (First Party + Third Party)
- ◆ Nuclear, Chemical, Biological, Radiological Malicious Acts (Property Damage and Liability)
- ◆ Active Assailant/Malicious Attack
- ◆ Cyber Terrorism Writeback for ensuing Physical Damage (including Malicious Cyber Attack)
- ◆ Confiscation, Expropriation, Nationalization, Deprivation (as Sub-Limits)

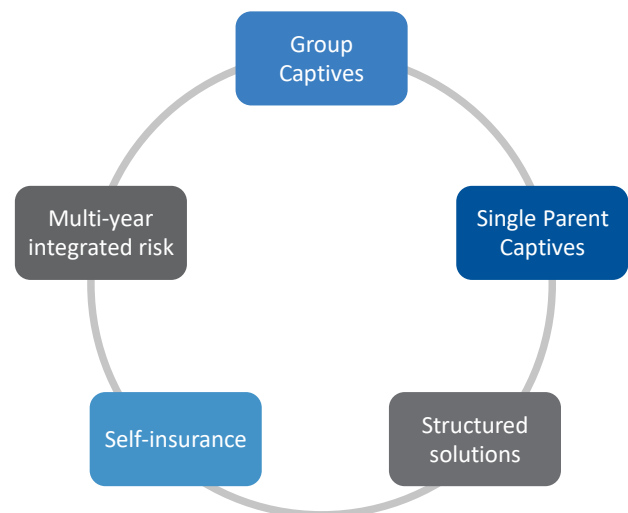
We provided further details about these products from in the attached PowerPoint presentation in [Appendix III](#).

Alternative Risk Financing

While we have already included some commentary above on different self-insurance levels MTD should consider, there are other various forms of alternative risk transfer (ART) solutions described below. When the traditional insurance market is unable to respond to a client's particular financial objective or insurance needs, our expert alternative risk professionals work with clients and colleagues to identify and understand the client's objectives and custom-design innovative, non-traditional risk financing solutions to address these specific objectives. We are actively working with our public transit clients exploring some of these options currently; we have a Captive presentation to one this week, which is an option we would happily discuss with MTD.

We offer objective expertise in a wide range of alternative risk solutions including:

- ◆ Single parent captives including 813(b) captives, segregated cell/rent-a-captives, group captives, risk retention groups, risk purchasing groups, and other risk financing vehicles
- ◆ Group captives and association captives
- ◆ Multi-year/multi-line integrated risk
- ◆ Dual trigger programs
- ◆ Structured solutions including finite risk transactions
- ◆ Self-insurance
- ◆ Collateral alternatives
- ◆ Contingent capital
- ◆ Loss portfolio transfers
- ◆ Credit enhancement solutions
- ◆ Weather-related products



The applicability of each of the above ART solutions depends on the client's specific exposures to loss, the amount of risk transfer required, the need for balance sheet protection, contractual requirements, and other factors. We provide the brief following overview of some of the above solutions and its applicability to MTD.

Captive Risk Financing

The use of captives in insurance can be a confusing concept. On one extreme, companies who are unfamiliar with the concept believe captive risk financing is a magic bullet that can be used to solve all of their traditional market pricing and coverage problems. On the other extreme, companies believe captives are solely the domain of the Fortune 1000 and not applicable to smaller companies.

The reality is there are a variety of types of captives which are used to finance a variety of risks to achieve a variety of objectives. The use of captives to finance risk has increased significantly since the market began hardening in 2018. In particular, single parent captives (or segregated cell rent-a-captives) represent the most customized and formalized form of risk financing and are created to help companies achieve additional benefits above and beyond what their current insurance program is providing. Most importantly, single parent captives or rent-a-captives are **not** a form of risk transfer by themselves.

Ultimately, the benefits derived from financing risks via a captive must exceed the startup capitalization and annual operating costs of the captive. We have outlined the major reasons in forming a single parent captive and provide both specific and general commentary about the applicability of these objectives to MTD.

The Major Benefits of Single Parent Captive Risk Financing

Quantitative

- ◆ Look to build up surplus and generate investment income by proactively funding for uninsured or underinsured exposures, deductible/SIR layers, higher severity/lower frequency risks
- ◆ Deploy surplus to leverage and stabilize traditional lines placements in future years
 - Quota share layers of vertical and horizontal property and casualty towers to recapture premiums and ventilate limits
 - Self-insure risks formerly purchased in the commercial market more efficiently
- ◆ Improved access to reinsurance capacity for potentially lower premiums and broader coverage
- ◆ Access government backstop for terrorism to recapture premiums and provide broader coverage including NBCR, unlimited contingent time element coverage, and others

Qualitative

- ◆ Dedicated vehicle to house risk
- ◆ Self-insure retained risks more efficiently
- ◆ Regulated entity may improve governance, transparency, and visibility around exposures to loss and risk retention
- ◆ Reduce dependence upon traditional commercial insurance markets in long term
- ◆ Improved awareness of enterprise risk wide exposures to loss among leadership
- ◆ Appropriation protection

Cost Considerations

A feasibility study will cost between \$15,000 and \$25,000 depending on which benefits are to be addressed. The feasibility study will include pro-forma financials, coverage recommendations, domicile recommendations, among other issues. In addition, the feasibility study will ultimately become part of the application to the domicile selected.

The capitalization of a captive will be dependent upon what limits are reinsured by the captive. Onshore domiciles typically require capital in a 3:1 premium to surplus ratio while offshore domiciles are a bit more liberal at 5:1 or higher.

Structured Solutions Including Finite Risk

Structured insurance solutions have changed dramatically in the post-Sarbanes Oxley (SOX) world primarily because accounting professionals have become more conservative in their interpretation of accounting guidelines pertaining to insurance transactions. Additionally, several corporate and reinsurance finite transactions which were improperly structured resulted in significant fines levied by the SEC and other federal and state agencies. The result has been that these placements have become increasingly more difficult to structure and transact, and we expect this trend to continue for the foreseeable future, especially those that seek insurance accounting treatment relative to those that are deposit accounting transactions.

Although the structuring of finite risk transactions has changed, the reasons why insureds would be interested in pursuing a finite risk program have not changed, i.e.:

- ◆ Client requires an insurance policy to address the underlying exposure
- ◆ Client may desire to obtain long-term budgeting and financial reporting objectives by building up funds in a dedicated vehicle
- ◆ Client desires coverage for a multi-year term

We can discuss the other ART solutions, to determine if these are applicable to MTD.

Offeror shall identify all proposed intermediaries Offeror intends to use in arranging for placements or access to insurance markets required by MTD's existing insurance program. Offeror must include the following:

Managing General Agents

Wholesale and Surplus Lines Brokers

London Market

Reinsurance Brokers

Market Access

USI has access to the entire global insurance market, encompassing over 100 U.S. domestic, U.S. wholesale, London, European, Bermuda, Asia Pacific or reinsurance markets. USI also has access to numerous proprietary programs, including our **Builder's Risk** program, plus also our **Terrorism** program described previously. We also have access to over 30 additional industry-specific programs through our wholly owned subsidiary Safehold Special Risk.

USI approaches market selection on a direct-first mentality, which means placing and negotiating business directly with the insurer instead of through an intermediary, where possible. This allows for stronger carrier relationships for the insured, larger lines of capacity available, smoother claims handling, more client resources available and more leverage when negotiating programs.

When determining which markets to approach for your submission, USI can harness the size of our national property and liability book to find the markets that are writing risks like yours in terms of size, class of business, geography, premium spend, total insured values, loss history and exposures. This

allows us to develop a marketing list that aligns with your risk profile, giving you a higher probability of creating competition and obtaining a favorable renewal.

We also consider the best access point for each market (domestic, international, direct or wholesale) based on what we are seeing quoted, since some access points will be more advantageous than others based on capacity or appetite changes occurring at the insurers. When you select USI as your broker, we will complete our analysis and provide you with a detailed list of proposed markets along with preferred access points. This list will be updated and provided to you from submission through binding so you stay informed on the status of each insurer and whether the selected markets will be viable for your program.

No matter the risk profile, USI has the resources, technology, relationships, reach and experience to identify, engage and negotiate the most competitive program for your risk profile, regardless of where the markets are located.

Wholesale and Surplus Lines and Managing General Agents/Underwriters

Based on the catastrophic nature with these bus liability claims, the standard insurance marketplace cannot meet many of our clients' insurance needs. Therefore, coverage can be placed through the excess and surplus lines marketplace, and some written by admitted markets. We have been extremely successful in using the wholesale and admitted marketplace and thoroughly understand its workings. Each insurer has a different niche, for example, some prefer to write primary layers, while others only participate on excess layers due to reinsurance treaty restrictions. Also, we must help them understand the exposure.

As described, we access many U.S. markets directly; however, we utilize a wholesaler if it is to the insured's advantage. In some cases, a market may only be accessed through a wholesaler. In other cases, a wholesaler may have a preferred relationship with particular markets. For our public entity clients, we have utilized wholesale and surplus lines experts from AmWins and CRC. We have also utilized Managing General Agents/Underwriters from Allied Public Risk.

London and Reinsurance Access

In London and Bermuda, we use a licensed Lloyd's/Bermuda broker as required by law. For many years, we have worked closely with the independent Lloyd's broker Price Forbes and their transportation teams in London and Bermuda. The Price Forbes transportation team handles a large volume of U.S. rail business, and they are considered by many, including underwriters, to be the premier rail broker in London and Bermuda.

For the Terrorism products described previously, we have an exclusive program through Price Forbes. We can also access the reinsurance market through Price Forbes and have done so to get critical capacity for railroads, which we place \$323M in limits.

Offeror must describe/demonstrate the ability to respond efficiently and timely to requests for services.

Our only goal is your satisfaction. Team Leader Barbara Goodwin has ultimate responsibility for quality control for MTD. Simply saying this is not enough, our actions need to speak to this goal. We will ensure unsurpassed service for MTD by doing the following:

- ◆ Provide you the best talent our organization has to offer.
- ◆ Benchmark your program against others in the market to make certain we have achieved the best available terms and conditions.

- ◆ Engage technical resources including our cyber liability, property, management liability, and analytics specialists for their insight and assistance.
- ◆ Provide you with innovation and creativity — not just in the first phase of our relationship, but throughout it. Periodically, we will bring you new ideas that have worked in other client engagements. We continually share ideas and successes through monthly calls with our public entity team. We also involve the resources of the firm. Our clients are better served when we provide a team of quality people in every discipline — top to bottom.
- ◆ Keep up-to-date on **trends** in your sector. We will offer suggestions on risk mitigation based upon our knowledge of clients' organizations and their trends.
- ◆ Seek out the appropriate resource and provide an accurate response in a timely fashion. We will never provide an answer to a question where we are not sure of the answer's accuracy.

The core public transit team of Barbara Goodwin as the Team Leader and Sherry Hurte as the Account Executive have worked together with public agencies for 25 years. Barbara, Sherry, and the team members selected provide exceptional insurance brokerage and risk management services to public entities locally. Our team has been described by clients as being knowledgeable, ethical, creative, **responsive, helpful, and public entity insurance experts**. Recent quotes from our public entity clients include:

“Great news about the excess liability! Thank you for doing the great work you do and saving us a bit of money in the process!!”

— *Deputy General Manager, Administration and Development at Golden Gate Bridge, Highway and Transportation District*

“Hi Barbara, you always exceed my expectations!”

— *Risk Administrator from San Joaquin Regional Transit District*

“I just want to thank the both of you and your team for the tireless job you do for us at SamTrans/Caltrain. You carry a heavy load for us and you are very much appreciated.”

— *Risk and Insurance Administrator from Caltrain and SamTrans*

“You are the best!”

— *Senior Program Coordinator, Risk Management, Metropolitan Transportation Commission*

PERSONNEL REQUIREMENTS

Assigned staff must have a minimum of five (5) years of expertise and experience with emphasis on the public sector with depth and breadth of services available. This applies to current and past contracts. Please state:

Entity name

Type of services and

Date of services provided

Staff Name	Staff Role	Entity Name(s)	Type of Services Provided	Date of Services Provided
Barbara Goodwin	Team Leader	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Leads service delivery, strategy and other coverage negotiations; Conducts pre-renewal meetings; Prepares Board Reports; Risk assessment; Risk Transfer Strategies; Leads negotiation on complex coverages; etc.	25 years
Sherry Hurte	Senior Account Executive	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Leads marketing effort on coverages; Prepares specifications; Prepares renewal proposal; Leads service team on invoicing, certificates; Checks policies; Binds coverages; Daily contact for contract review, coverage interpretation, certificate management and technical advice.	30 years
Peyton Hendricks	Account Representative	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Prepares the specification request; prepares invoices and sends to the clients; Works with Certificate group to prepare Certificates; and supports Sherry with service delivery needs.	1 year
Phurba Gyalzen	Management Liability/Cyber Liability	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater	Conducts risk analysis, marketing and product development for Cyber, Public Officials and Employment Practices Liability coverages; Consults with claims team on claims, as needed.	12 years

		Cleveland Regional Transit Authority, County of Marin		
Adam Campbell	Property Consultant	Golden Gate Bridge Highway & Transportation District, Caltrain, County of Marin	Reviews the property program and specifications; identifies markets; works with Analytics team on Property values; Works with London to get Active Assailant and Terrorism quotes.	10 years
Sam Caringi	Senior Account Executive, Surety	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Provides helpful risk management advice on what surety bonds MTD should require in its construction or other contracts.	10 years
Charlene Washburn	Environmental Liability	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority	Responsible for overall environmental risk and market strategy; Consults with claims team on complex claims; Provides advice on environmental coverage requirements to third parties.	15 years
Jason Miyake	P&C Claims Consulting	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, County of Marin	Provides recommendations on pending litigated claims, claim reviews and risk scenarios that might impact MTD.	10 years
Kris Ludwig	Workers' Compensation Consultant	SamTrans, Metropolitan Transportation Commission	Provides ongoing Workers' Compensation Claims consulting; Provides advocacy for clients.	10 years
Rob Curcio	Risk Control Consultant	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Provides loss control services; Implements appropriate techniques to address liability, personnel, and property conservation exposures to loss; Minimizes a clients' potential to loss while increasing their operating efficiency.	10 years
Joel DeVilbiss	Technical Resources/Property	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, County of Marin	Oversees technical resources team and service delivery in California.	10 years

Chris Um	Casualty Analytics	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans	Manages Casualty Analytics and placement including loss forecasting, stratification, deductible and collateral analysis.	3 years
Amber Freiman	Property Analytics	Golden Gate Bridge Highway & Transportation District, Caltrain, SamTrans, Metropolitan Transportation Commission, Greater Cleveland Regional Transit Authority, County of Marin	Creates Marshall Swift reports to help develop replacement property values; Conducts wildfire modeling and severity zone analysis.	8 years

Offeror shall document and provide resumes of key personnel assigned to MTD’s account which includes the following:

Education

Experience/Qualifications

Professional Credentials (where applicable)

Area of Special Expertise in Insurance Brokerage and Consulting Services provided to Governmental Public Service Entities

Please see [Appendix IV](#) for resumes of Key Personnel.

Note that USI is assigning this service team to work with MTD. We will advise MTD of any changes in personnel to the team. We understand that MTD would like to approve any changes to the service team.

TRANSITION PLAN

Proposals should explain the methodology, time frame, and plan for transitioning brokers and completing this project, and how Offeror will meet the required deadlines of January 31 and March 31, for July 1 effective placement with no lapse in existing coverage as detailed in the Scope of Services under the “Placement of Insurance Policies” section. *The Awarded Broker may need to meet different timelines based upon existing and expiring coverages, which will need to be renewed before policy expiration.*

If selected as the broker and consultant for MTD, to begin reviewing the current program, we will identify immediate certificate, claim, and risk control needs, and then execute Broker of Record Letters for existing policies. At the same time, we will look to schedule an onsite visit(s) as soon as possible to introduce the service team working with MTD. Performing a thorough review of your insurance program will allow us to identify any coverage improvement and premium savings opportunities. Our risk control specialists will develop a tailored set of risk improvement plans that better focus carrier resources and assure these same resources are utilized effectively.


Working collaboratively with MTD, USI will create a smooth transition through proactive communication and thoughtful planning.

- ◆ Audit of existing program
- ◆ Commitment to deliverables via a customized Annual Service Calendar
- ◆ Transparent renewal process
- ◆ Planning for results

Client Acquisition and First Year



From there, we will work with MTD on developing and implementing a multi-year strategy. Upon appointment as your broker, we meet with you to finalize a timeline and set goals to meet and exceed your expectations. Following is a rough timeline, but we have provided a more detailed one later.

Brokerage Services	
Account Strategy	Timeline
Evaluate the current insurance programs to ensure adequate insurance protection and optimum costs.	Continual Service 
Identify risk, evaluate, develop recommendations on risk management and insurance program design, and communicate to MTD.	
Evaluate alternative risk financing approaches to the program design in addition to traditional insurance coverages.	
Continue ongoing discussions with insurance and risk financing markets to assess possible program designs.	
Develop and finalize total risk management and insurance program design with MTD.	
Create a renewal marketing strategy plan including new coverage options, discuss with MTD during a pre-renewal meeting, and present the results, quotations, and options to MTD during the annual renewal meeting.	
Oversee preparation of the specifications for insurance marketing (see next sections for the marketing services which summarize the entire marketing process).	
Respond to miscellaneous email and telephone inquiries regarding various insurance and risk management issues.	
Assist MTD with losses (see claims services below).	
Oversee and complete various projects (see Consulting Services below).	
Work with MTD to ensure we understand all of its operations and strategize on how we should cover each one of them on the insurance programs.	

Brokerage Services	
Marketing	Timeline
Assemble applications and develop questionnaires and spreadsheets for soliciting renewal information from MTD.	120 days before renewal
Collect renewal information and completed applications from MTD.	
Review all new exposures to loss, including new operations, equipment, and property.	
Prepare specifications for the insurance marketplace.	
Talk to insurers and assess interest level in writing insurance for MTD.	
Market and obtain quotations.	
Evaluate quotations and analyze pricing, coverages, service (underwriting, claims and loss control), and financial stability of the insurance carriers.	
Negotiate revisions to the insurance program from underwriters.	
Develop placement recommendations for MTD following the evaluation of quotations received.	
Prepare renewal proposals for MTD including comparisons with expiring program and between the various quotations.	

Brokerage Services	
Marketing	Timeline
Present and discuss proposals with MTD.	30 days prior to renewal
Bind and invoice the approved coverages with the various insurers.	
Deliver insurance binders and invoices to MTD for payment.	
Prepare premium allocation based on final premiums bound.	

Brokerage Services	
Account Management Services	Timeline
Review property and casualty policies to ensure that their terms and conditions match the programs originally negotiated.	We check them carefully upon receipt
Receive requests for changes from MTD and negotiate with the markets to make such changes. Send endorsements to MTD.	Ongoing
Prepare insurance summaries that give a synopsis of the coverage limits, terms and conditions.	We prepare these when checking the policies
Deliver policies and insurance summaries to MTD.	TBD
Keep copies of the policies and summaries in files.	Ongoing
Invoice changes mid-term.	Ongoing
Review requests for insurance certificates and issue certificates of insurance accordingly.	Ongoing
Perform day-to-day accounting and financial activities associated with handling MTD's insurance. We will submit invoices and other paperwork promptly.	Ongoing
Process underwriter audits, invoices, and other endorsements in a timely manner.	Ongoing
Provide Automobile Identification Cards in accordance with your needs and customize where appropriate (USI protocol — 100% accuracy, issued five (5) days prior to binding, immediate turnaround on requests post binding).	Ongoing

If selected as the broker and consultant for MTD, to begin reviewing the current program, we will identify immediate certificate, claim, and risk control needs, and then execute Broker of Record Letters for existing policies. At the same time, we will look to schedule an onsite visit(s) as soon as possible to introduce the service team working with MTD. Performing a thorough review of your insurance program will allow us to identify any coverage improvement and premium savings opportunities. Our risk control specialists will develop a tailored set of risk improvement plans that better focus carrier resources and assure these same resources are utilized effectively.

Working collaboratively with MTD, USI will create a smooth transition through proactive communication and thoughtful planning. The following graphic encapsulates the transition plan from day 1 to 3 years and beyond:

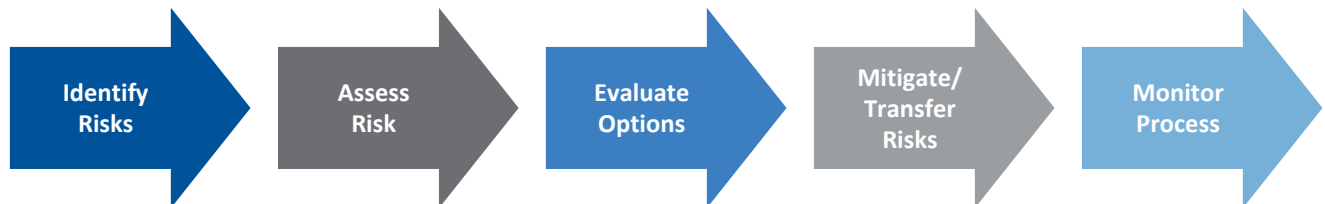
Furnish a proposed schedule\Outline sequentially the activities that would be undertaken in completing the work.

The mission of USI insurance Services has always been to be a trusted leader in providing our clients with knowledgeable advice, creative and cost-effective risk transfer solutions, and unparalleled service. We believe that honesty, trust, and integrity are essential for meeting the highest standards of client expectations and

corporate governance. With USI, our clients have the benefit and experience of a large broker combined with the personal attention and service of a local broker.

Our approach as the Insurance Broker and Consultant would be to continue to support and assist MTD in lowering their total cost of risk. In our experience, the best approach to accomplish this goal is to actively employ the risk management process.

Framework for Assessing, Treating, and Monitoring Risk



What are your critical concerns?	Assess Risk	Evaluate Options	Mitigate/Transfer Risks	Monitor Process
<ul style="list-style-type: none"> Update risk profile using info from client meetings, public docs Review loss experience Review uninsurable, uninsured, under-insured exposures Visit major facilities 	<ul style="list-style-type: none"> Prioritize Quantify Risk control inspections Review exposures and values Review contract compliance limits Claims review 	<ul style="list-style-type: none"> Avoid Assume Control Transfer Establish risk retention and transfer strategy Discuss current insurance market conditions Re-evaluate and strategize for renewal Review placement strategy 	<ul style="list-style-type: none"> Retain Insure Transfer to others Control and prevent Contract management Claims management Premium forecast Establish insurance renewal timeline Risk mitigation 	<ul style="list-style-type: none"> Quarterly review Quality control Regular communications Follow and monitor renewal timeline Review risk treatment options and implement MTD's decisions Quarterly meetings Ongoing communications Policy checking InsurLink portal

In our experience, the best approach to accomplish this goal is to actively employ the risk management process. We believe the risk management process provides an excellent framework for an organization to lower their cost of risk. By using this process, an organization can maximize safety to third parties and its own employees by applying risk control techniques, effectively manage claims and self-insured retentions, and reduce costs by transferring risk via both insurance and through the indemnification and insurance language in 3rd party contracts.

How the USI service team will implement the work plan

The USI insurance team always strives to provide the best service to MTD to support MTD's mission. We hope these tables more fully communicate the breadth of our activities, which sometimes go behind the scenes, in performing insurance brokerage and consultation services for MTD.

Proposed Phase I – Transition		
Description of Transition Activity (Within the First 30 Days)	Responsible Party	Target Date
MTD appoints USI Broker of Record	MTD	7/1/26
USI presents BOR letter(s) to insurers (there is a 10-day waiting period unless waived)	USI	7/8/26
USI team ensures a seamless transition of service	USI	Ongoing
Communicate with all insurers and schedule personal visits as required	USI	7/17/26
Set date for kick off meeting	MTD/USI	7/20/26
Conduct kick-off meeting: <ul style="list-style-type: none"> ▪ Obtain MTD contact information, obtain most recent copies of policies, exposure schedules, and pertinent documents from MTD ▪ Review open claims and establish claim handling guidelines ▪ Review all other open items and strategies for resolution ▪ Obtain current certificates of insurance and automobile ID cards database ▪ Request copies of current pertinent contracts ▪ Agree on loss control visit schedule ▪ Review carrier inspection activities ▪ Schedule future open items meetings 	MTD/USI	TBD
Review policies and provide recommendations for any improvements	USI	July/Aug
Finalize and execute Client Service Agreement (CSA)	MTD/USI	July

Proposed Phase II – Renewal Process		
Description of Transition Activity (Begin at Least 120 Days Prior to Renewals)	Responsible Party	Target Date
Schedule and conduct pre-renewal strategy meeting: <ul style="list-style-type: none"> ▪ Discuss MTD’s risk management goals and objectives ▪ Discuss any changes to underwriting information ▪ Review current market conditions ▪ Review benchmarking and analytics ▪ Agree to any changes to limits, retentions, and coverage ▪ Agree to renewal targets (pricing and terms and conditions) ▪ Agree to carrier participation and required meetings ▪ Agree to the use of any wholesale broker or intermediary ▪ Establish a renewal timeline 	MTD/USI	August for 1/1 January for 5/24 February for 6/30
Update schedule of insurance and assist in the preparation of the underwriting submissions	MTD/USI	90 days before
Deliver underwriting submission to insurers along with required target date for receipt of proposals	USI	75 days before
Prepare presentation for underwriter meetings; develop the most effective communication strategy for MTD’s risk	USI	75 days before
Meet with underwriters	MTD/USI	As needed
Schedule insurers visits to facilities, if needed	USI	As needed

Proposed Phase II – Renewal Process		
Description of Transition Activity (Begin at Least 120 Days Prior to Renewals)	Responsible Party	Target Date
Receive primary quotations from the carrier(s)	USI	50 days before
Conduct negotiations with insurers and discuss premium allocations. Comply with MTD's interest in negotiating at least 3 quotations	USI	45 days before
Summarize all quotation(s) from insurers (including assessment of their financial soundness) and present recommended program	USI	30 days before
MTD elects desired program option(s)	MTD	5 days before
Provide premium allocations		5 days before
Receive binding authority from MTD	MTD/USI	5 days before
Bind coverage with insurers	USI	5 days before
Deliver accurate binders	USI	3 days before
Invoice required premiums and transmit funds to carriers (including any future returned premiums to MTD)	MTD	5 days after
Review policies for accuracy and deliver to MTD; including any requests for required changes	USI	30 days after
Conduct post-renewal review meeting	MTD/USI	Within 30 days
Benchmark performance compared to initial targets	MTD/USI	Within 30 days
Set objectives for future renewals	MTD/USI	Within 30 days
Prepare and send insurance summary	USI	Within 30 days

Proposed Phase III – Execution		
Description of Transition Activity (Ongoing)	Responsible Party	Target Date
Conduct property risk control visits as scheduled	USI	Ongoing
Ongoing claims service and claim reviews per agreement	MTD/USI	Ongoing
Coordinate carrier site visits and review and comment on their recommendations	USI	Ongoing
Review and evaluate insurance for capital improvement projects including risk transfer, or Builders Risk, OCIP, CCIP or other risk transfer strategies	USI	Ongoing
Provide day-to-day loss control and claims consultation	USI	Ongoing
Provide annual total cost of risk report	MTD/USI	Ongoing
Provide annual stewardship report	USI	TBD
Provide budget forecast of premiums for MTD	USI	11/1/26
Provide summary of commissions	USI	February 28
Ongoing processing of certificates of insurance and automobile ID cards	USI	Ongoing
Complete contract reviews as requested	USI	Ongoing

Proposed Phase III – Execution		
Description of Transition Activity (Ongoing)	Responsible Party	Target Date
Underwriter meetings for relationship building	MTD/USI	Ongoing
Periodic open items meetings as scheduled	MTD/USI	Ongoing
Training and education to Board and others on insurance and risk management. Barbara teaches ARM classes and is very happy to conduct any training as needed. The service team can also train on certificates, policy endorsements and binders.	USI	Ongoing

Property

USI provided a significant amount of information previously in this proposal about ideas for improving MTD's Property insurance program. We just emphasize here USI's interest in engaging our Property Analytics group to assist with developing proper insurance valuations, plus also perform catastrophe modeling when evaluating the adequacy of current earthquake and flood insurance coverages.

PRICE PROPOSAL (CONTINUED): ADDITIONAL INFORMATION

Offerors shall describe any unique services they can provide to MTD that will distinguish their firm from other potential firms.

Distinguishing USI from other Brokers

We offer MTD these qualitative advantages:

- ◆ **Power broker** – Our Team Leader Barbara Goodwin, has been recognized by Risk and Insurance magazine as “Power Broker” in the field of Transportation for her outstanding technical knowledge, brokering skills, risk management services, and client solutions. This national industry magazine selected Barbara as a winner twice, based on input from Barbara’s transportation clients, so it further confirms Barbara’s and her team’s strength in providing exceptional insurance brokering and risk management services to clients.
- ◆ **Transit experience** – We focus on insurance for California public transit accounts and have many years of experience insuring clients such as Golden Gate Bridge, Highway and Transportation District, Peninsula Corridor Joint Powers Board (Caltrain), SamTrans, the, and MTC. Our team’s in-depth understanding of transit funding mechanisms, bus, and rail systems is crucial in differentiating MTD in the market, and in providing practical risk management advice on contract insurance requirements. We are also quite knowledgeable on other public entity risk exposures given work with the County of Marin; this collective experience, and utilization of the risk management process will be helpful to MTD.
- ◆ **Technical knowledge and professional education** - Our team has a demonstrated commitment to ongoing continuing education and has earned multiple professional designations, e.g., CPCU, MBA, and ARM-E, with an emphasis on enterprise risk management. Barbara Goodwin has demonstrated a strong commitment to the industry, by teaching ARM and other Risk Management classes to insurance and risk management professionals in the Bay Area for many years. Our team’s knowledge coupled with our years of industry experience underwriting, brokering, servicing clients, and traveling to meet with U.S. and global markets, offers MTD unequal technical depth.
- ◆ **Collaboration with clients** - We work closely with clients to mutually set priorities, differentiate their account in the market, and create custom, broad-based programs at cost effective terms.
- ◆ **Underwriting relationships and market knowledge** – Our team has broad experience in the U.S., London, European, and Bermuda transit markets. We develop long-term relationships with underwriters, particularly those specializing in transportation, and enjoy over 25 years of experience working with underwriters in the U.S., London, and Bermuda.
- ◆ **Value added services** - We offer full risk management services and use of Technical Resource Specialists regardless of office location and without profit center conflicts.
- ◆ **Specialized knowledge consultation on contracts** – As mentioned above, Barbara and Sherry regularly consult with and respond to inquiries from clients on risk management issues including contractual risk transference, safety and risk control situations, claims, and potentially challenging insurance coverage questions. We often engage other team members on these requests, including

claims staff who can provide helpful advice on how particular policy language can impact claims. We respond very quickly to requests and will also be proactive in involving MTD staff in situations that warrant their attention.

- ◆ **Contract consultation from our surety specialist** – As described, our Surety consultant provides an assessment and input on bond requirements and compliance.

Our integrated delivery of services means MTD has access to our full range of capabilities and personnel including resources and specialists, data analytics, enterprise risk management, surety, and claims. What truly sets us apart from our competition is our:

- ◆ **Relentless focus on customer service.** We are a networked team that is “always on.” When you need us, we are ready. Every principal team member has mobile access to voice and data communications, and we build redundancies into our teams, so staff are always available to offer support and service.
- ◆ **Great enthusiasm and teamwork.** Our team communicates, works well together to the benefit of our clients, and has a passion for delivering the highest level of insurance and risk management knowledge to MTD. **We not only like each other, but we enjoy what we do.**
- ◆ **Leading edge creativity and innovation.** We love the challenge of developing new insurance and risk management solutions for the emerging exposures of our clients.

Our experience with public transit – Setting USI Apart

With extensive experience insuring public transit and working closely with our clients, we view transportation operations and insurance from many different perspectives. Our clients include public bus districts, light rail, heavy rail, commuter rail operations, regional transportation planning commissions, express toll lanes, and a world class bridge and highway. We routinely respond to a variety of client questions regarding third party vendors, contractors, construction-related projects, insurance wordings, surety and other matters. Our team also strategizes with these clients on self-insurance levels. **Few teams can match the public transportation experience that our USI team offers.**

The core service team working with MTD handles the following larger public entity accounts:

Accounts Under Barbara Goodwin and Team

- Golden Gate Bridge, Highway & Transportation District
- San Mateo County Transit District (SamTrans)
- Peninsula Corridor Joint Powers Board (JPB, aka CalTrain)
- San Mateo County Transportation Authority (TA)
- San Mateo County Express Lane – Joint Powers Authority (SMCEL JPA)
- Greater Cleveland Regional Transit Authority (GCRTA)
- San Francisco Bay Area Metropolitan Transportation Commission (MTC)
- The County of Marin

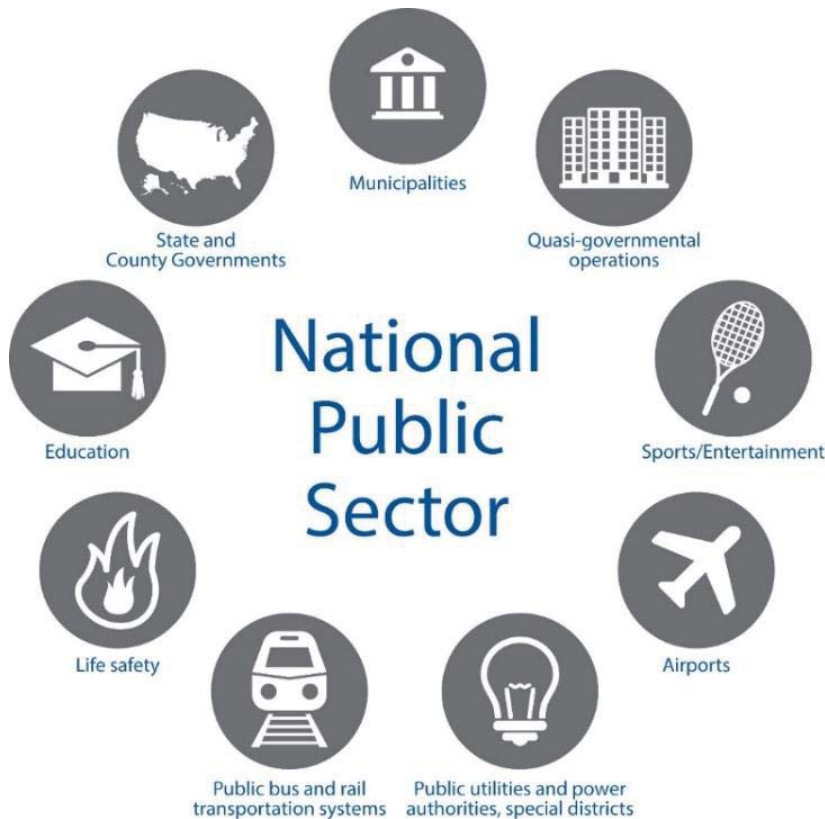
In addition, USI offices draw on our team’s public transit experience for input on various client issues and marketing assistance. Our team leader, **Barbara Goodwin**, regularly consults with other producers and teams across the USI network on transportation accounts and assists on projects across the U.S.

Public Entity Experience

As a company, we have several industry sectors to deliver insurance products and services. USI is committed to serving public sector clients. We serve as broker for public entity clients at all levels, including public transportation, state, municipal, public works, and public education. We support a **national/regional public sector resource group** to provide industry knowledge, market information, and assistance to the USI brokers

who serve governmental entities throughout the country. We meet monthly to discuss risk management trends, the public entity insurance marketplace, newly developed resources, and other issues relevant to our public entity clients.

With over 3,000 public sector clients, USI demonstrates the capacity to address the current and emerging needs of MTD.



Our client base includes the following:

Approximately 3,000 Public sector clients

799 Transportation clients

449 Municipalities/counties

234 Airport clients

Approximately 400 Utility clients or clients who include utilities

181 Fire and Rescue

Surety - Financial Guarantees, Performance Bonds and Letters of Credit

With a national network of surety team members, our Surety Practice has become a recognized leader in the surety industry providing a national presence in the industry with localized representation. **Sam Caringi** is the USI surety specialist who consults on USI's contracts as described above.

We Understand the Surety Needs of Public Entities

Sam and team have extensive specialized knowledge with surety issues that are important to transportation agencies and Public Entities. Instead of just recommending a one-size-fits-all surety requirement, Sam takes the time to consider broader objectives important to clients and recommend surety options that best serve all stakeholders.

Providing the Best Services for Our Clients

At USI, we are uniquely positioned to provide in-depth to the underwriting analysis process, allowing us to maximize credit portfolios. Our work is not just about solutions we create, it is how we deliver them. As one of the largest surety brokers, we draw from our practice resources to identify and prioritize ways to impact and develop our clients' surety program. We become an extension of their surety or risk management team providing solutions for:

- ◆ Surety cost structure
- ◆ Carrier underwriting changes
- ◆ Environmental Surety placement
- ◆ Replacement for letter of credit
- ◆ Analyze surety requirements designed to protect public funds/taxpayers' dollars
- ◆ Broker compensation
- ◆ Financial accountability
- ◆ Program monitoring and tracking
- ◆ Contract terms and conditions

We understand that our services will sometimes be consultative in nature.

Online Program for Bond Processing

USI has a national contract with InSureVision Technologies (IVT), the developer of the SurePath Network, a web-based surety bond processing system. IVT is a Microsoft Certified Solution Provider with extensive experience in the surety industry with special expertise in internet development, including transition from paper-based processes to digitally enhanced processes.

SurePath allows surety clients to:

- ◆ Request a bond online – all designated service team members are alerted via email of the pending bond request.
- ◆ Monitor bond requests.
- ◆ View and present a variety of bond lists including: outstanding bonds, released/closed bonds, bonds pending renewal.
- ◆ Obtain your outstanding bond liability.
- ◆ Use bond requests to attach comments and supporting documents with broker instructions.
- ◆ Customize reports using the SurePath database as determined by client needs.
- ◆ Be as involved or as little involved in the Surety process.
- ◆ SurePath allows USI to keep on top of each client's bond accounts in an efficient, timely manner. The SurePath system is used by all major surety operations within USI.

Include a description of any services not previously covered which may be of particular value to MTD and if the programs or resource is included in the proposal price or is offered at an additional cost option.

USI has already described many of services, offered by third parties, that would contract directly with MTD, and would charge a separate fee. A listing of some of the services are also included below.

Third-Party Certificate Tracking through a firm such as Ebix

Ebix is a full-service certificate of insurance management vendor that provides certificates online that are compliant and validated. Ebix is the largest provider of certificate of insurance management services in the United State and North America. Ebix does all of the day-to-day transactions work to:

- ◆ Request evidence of insurance from client's vendors/business partners
- ◆ Receive and review incoming evidence of coverage

- ◆ Verify that coverage received meets requirements of underlying client agreement
- ◆ Identify any/all coverage deficiencies, send deficiency notifications via email/USPS to advise of correction action required
- ◆ Send reminder requests in advance of all upcoming expirations to obtain renewal certificates
- ◆ Provide call center services to respond to phone inquiries from vendor and insurance agents
- ◆ Maintain a complete history of all documents received from vendors
- ◆ Provide clients with a web-based user interface to client for:
 - Viewing/printing certificates/endorsements
 - Check compliance
 - Run reports

With Ebix, MTD's role would be:

- ◆ Provide items to support implementation of Ebix service
- ◆ Vendor ID information (e.g. name, address, classification for reporting etc.)
- ◆ Coverage requirements associated with each vendor
- ◆ Preference questionnaire
- ◆ Address exception items identified by Ebix
- ◆ Make business decisions on referral items and default items

Normally, the initial data from the client would be supplied via an Excel spreadsheet. USI can offer to help MTD manage this relationship with Ebix, and fill service needs as needed.

Actuarial

USI has the capability of providing casualty analytical services that do not require an actuarial certification to assist MTD in making decisions on their insurance programs, including review of retention/deductible limits, analysis of alternative risk financing programs, and allocation systems along with loss forecasting. We have described each of these services previously in this proposal. While USI has these internal analytics capabilities, if MTD requests that an actuary evaluate MTD's liabilities for Workers' Compensation and third-party General and Auto Liability claims, we can introduce an actuary to MTD. We have connected a few of our clients with **Select Actuarial Services** (SAS, LLC).

- ◆ Select Actuarial Services is an independent consulting firm serving a vital role in helping organizations measure their cost of risk, and, ultimately, achieve their risk management and business objectives. **Select Actuarial Services (SAS, LLC) is a Women Owned Business Entity (WBE)**. Four of the five founding Partners, Mary Frances Miller, Cheryl White, Laura Sprouse and Thomas Meyer, are still with the company today. Laura Sprouse would be the lead actuary for MTD.
- ◆ Select Actuarial Services provides expert, professional property/casualty actuarial consulting services necessary to the sound management and administration of risk management and insurance programs. The firm's colleagues have over 160 years of combined property/casualty actuarial experience, with eight credentialed actuaries holding Membership in the American Academy of Actuaries (MAAA). Six of their colleagues have attained the highest level of qualification for actuaries in the United States, Fellowship in the Casualty Actuarial Society (FCAS).
- ◆ Select's studies are objective evaluations of risk financing programs. Reports are logically self-contained. They pride themselves on producing clearly written reports that can be understood by non-actuaries. The selection of actuarial techniques is related to the client's insurance and risk management program. Support for subjective judgments is explicitly identified and can be readily scrutinized. Report conclusions

have clean audit trails and can be replicated by non-actuaries. This approach ensures the value of actuarial studies in helping clients achieve their objectives.

Specialized Loss Control Services

- ◆ We do not do Job Safety Analysis for numerous employee positions but can create one as an example
- ◆ We can look over accident forms used for investigations and provide such forms, but we cannot do an injury investigation.
- ◆ We do not do electrical evaluations and detailed panel inspections such as Infrared Thermographic Testing.
- ◆ Industrial Hygiene testing.
- ◆ Business continuity planning.
- ◆ We do not certify clean rooms or provide any type of special certifications.
- ◆ We don't do in the vehicle driver evaluations or ride-alongs
- ◆ We do not perform Cyber Protection services i.e. monitoring, ethical hacking, etc. These services are offered through vendors USI has vetted, but which charge an additional preferred fee.

Claims Adjusting or Third-Party Administration

USI does not do any claims adjusting that would be handled by the insurance companies and/or a third-party administrator (TPA). Instead, we provide consulting support on MTD's behalf.