

**REDDING AREA BUS AUTHORITY
BOARD POLICY**

SUBJECT RISK MANAGEMENT POLICY	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE
	RABA-90	102	2/22/94

BACKGROUND

The Redding Area Bus Authority insures its buildings, and the current contractor operator(s), as part of their agreement, provides coverage for RABA's fleet of vehicles. It is the intent of the Redding Area Bus Authority to reduce all risks of accidental loss and manage its potential losses in a cost-effective fashion.

PURPOSE

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

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

POLICY

Loss Prevention

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

Guidelines

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

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

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

Purchase of Insurance

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

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