County Connection

Agenda Item # 6

To: Administration & Finance Committee **Date:** November 24, 2026

From: Amber Johnson, Chief Financial Officer **Reviewed by:** WC.

SUBJECT: Consideration of Revisions to Claims Settlement Authority Policy

Background:
In 2003, the Board of Directors adopted a Resolution establishing settlement authority levels for general liability and workers' compensation claims. Since the policy was adopted, the Authority's self-insured retention has remained at $250,000 and the settlement authority thresholds have not been adjusted. As a result, the current authority structure has remained unchanged for more than 20 years.

Over the past two decades, claim settlement values have increased significantly due to inflation, rising medical costs, increased litigation expenses, and generally higher claim valuations. As a result, a growing number of routine settlement requests now require Administration & Finance (A&F) Committee and Board review.

Discussion:
Staff is recommending an update to the settlement authority thresholds to better align decision-making authority with current claim values while maintaining appropriate oversight.

The Authority currently maintains a self-insured retention of $250,000 for both general liability and workers' compensation claims. Under the proposed structure, claims exceeding the Authority's self-insured retention would continue to require Board approval. The current and proposed authority levels are:

Delegate	General Liability	
	Current	Proposed
Third-Party Administrator	Up to $10,000	(no change)
General Manager	N/A	$10,000 - $50,000
General Manager, CFO & Director of HR	$10,000 - $50,000	$50,000 - $100,000
Administration & Finance Committee	$50,000 - $100,000	$100,000 - $250,000
Board of Directors	Over $100,000	Over $250,000

Delegate	Worker's Compensation	
	Current	Proposed
Third-Party Administrator	Up to $25,000	(no change)
General Manager	N/A	$10,000 - $50,000
General Manager, CFO & Director of HR	$10,000 - $50,000	$50,000 - $100,000
Administration & Finance Committee	$50,000 - $100,000	$100,000 - $250,000
Board of Directors	Over $100,000	Over $250,000

Staff reviewed settlement authority practices at other California transit agencies and found that the proposed thresholds are generally consistent with peer agencies. For example, the Golden Gate Bridge, Highway and Transportation District authorizes committee approval of settlements up to $250,000, while Monterey-Salinas Transit authorizes its General Manager/CEO to approve settlements up to $150,000. While settlement authority structures vary by agency based on size, risk tolerance, and organizational structure, these examples provide support for the proposed revisions.

The recommendation to delegate settlement authority to the General Manager for settlements up to $50,000 provides flexibility to resolve routine claims efficiently while remaining consistent with applicable California Government Code provisions.

The recommendation to increase the settlement authority of the three-member management team (General Manager, Chief Financial Officer and Director of Human Resources) to $100,000 is consistent with existing procurement authority, which authorizes the General Manager to execute contracts on behalf of the Authority up to that amount. Additionally, relevant California Government Code sections require three persons to be involved in settlement decisions at these dollar thresholds.

Similarly, the proposed $250,000 Board approval threshold aligns with the Authority's $250,000 self-insured retention for both general liability and workers' compensation claims. As a result, any settlement with the potential to fully exhaust the Authority's retained risk layer would continue to require Board approval, providing an appropriate balance between administrative efficiency and Board oversight of the Authority's most significant risk exposures.

Staff also recommends delegating authority to the General Manager to approve or deny applications for leave to present a late claim pursuant to California Government Code Sections 911.4 through 911.6. This delegation will improve administrative efficiency and allow timely action on procedural claim matters that would otherwise require Board consideration.

Overall, the proposed revisions are intended to streamline the claims administration process, facilitate timely resolution of claims, align authority levels with the Authority's risk retention structure, and preserve Board oversight for matters involving the Authority's most significant financial exposures.

Financial Implications:
None. The proposed revisions do not increase the Authority's financial exposure or change insurance coverage levels. The proposal only adjusts approval authority for settlement actions and late claim applications.

Recommendation:
Staff recommends the proposed revisions and seeks feedback from the A&F Committee on the recommended authority thresholds and delegation provisions.

Action Requested:
Staff requests that the A&F Committee provide feedback on proposed revisions to the Authority's Claims Settlement Authority Policy and recommend adoption by the Board of Directors.

Attachments:
Attachment 1: 06.05 – Settlement Authority Policy – Current Version
Attachment 2: 06.05 – Settlement Authority Policy – Proposed Version

SUBJECT: Settlement Authority Policy for General Liability and Workers' Compensation Claims

PURPOSE: To provide clear delineation of authority to settle claims and increase the overall efficiency of the Authority's claims administration procedures, and to authorize the Administration & Finance Committee and the Authority's General Manager and Director of Finance to settle certain valid general liability and workers' compensation claims within the Authority's Self-Insured Retention limit of $250,000.

POLICY:

General Liability Claims

1. The Authority's Third Party Claims Administrator for general liability claims is authorized to settle valid claims and actions up to $10,000 and to make payment of same in accordance with its contract with CalTIP and the CalTIP Policy & Procedures Manual.

2. The General Manager, upon recommendation by the Third Party Administrator, the Administrator's Legal Counsel, the CCCTA Director of Finance and the CCCTA Manager of Safety and Training, is authorized to settle valid claims and actions over $10,000 up to $50,000 and to authorize payment of same.

3. The Administration & Finance Committee, upon recommendation by the General Manager, is authorized to settle valid claims and actions over $50,000 up to $100,000 and to authorize payment of same.

4. The Board of Directors, upon recommendation by the A&F Committee, shall approve all settlements of valid claims and actions in excess of $100,000 and authorize payment of same.

Workers' Compensation Claims

1. The Authority's Third Party Claims Administrator for workers' compensation claims is authorized to settle valid claims and actions up to $25,000 and to make payment of same in accordance with its contract with the Authority.

2. The General Manager, upon recommendation by the Director of Finance, is authorized to settle valid claims and actions over $25,000 up to $50,000 and to authorize payment of same.

3. The Administration & Finance Committee, upon recommendation by the General Manager, is authorized to settle valid claims and actions over $50,000 up to $100,000 and to authorize payment of same.

4. The Board of Directors, upon recommendation by the A&F Committee, shall approve all settlements of valid claims and actions in excess of $100,0000 and authorize payment of same.

DATE OF ADOPTION: September 18, 2003

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

SETTLEMENT AUTHORITY POLICY

Policy No. 06.05
Created: September 18, 2023
Revised: December 17, 2026 (draft)

PURPOSE:

It is the policy of the Central Contra Costa Transit Authority ("CCCTA") to establish a framework for the review, approval, and settlement of general liability and workers' compensation claims. This policy defines delegated settlement authority, supports efficient claims administration, and provides oversight commensurate with the Authority's financial exposure and self-insured retention.

POLICY:

1. General Liability Claims

    a. The Authority's Third-Party Claims Administrator for general liability claims is authorized to settle valid claims and actions up to $10,000 and to make payment of same in accordance with its contract with CalTIP and the CalTIP Policy & Procedures Manual.

    b. The General Manager is authorized to settle valid claims and actions over $10,000 up to $50,000 and to authorize payment of same.

    c. The General Manager, upon recommendation by the Chief Financial Officer and Director of Human Resources, is authorized to settle valid claims and actions over $50,000 up to $100,000 and to authorize payment of same.

    d. The Administration & Finance Committee, upon recommendation by the General Manager, is authorized to settle valid claims and actions over $100,000 up to $250,000 and to authorize payment of same.

    e. The Board of Directors, upon recommendation by the A&F Committee, shall approve all settlements of valid claims and actions in excess of $250,000 and authorize payment of same.

2. Workers' Compensation Claims

    a. The Authority's Third-Party Claims Administrator for workers' compensation claims is authorized to settle valid claims and actions up to $25,000 and to make payment of same in accordance with its contract with the Authority.

    b. The General Manager is authorized to settle valid claims and actions over $25,000 up to $50,000 and to authorize payment of same.

c. The General Manager, upon recommendation by the Chief Financial Officer and Director of Human Resources, is authorized to settle valid claims and actions over $50,000 up to $100,000 and to authorize payment of same.

d. The Administration & Finance Committee, upon recommendation by the General Manager, is authorized to settle valid claims and actions over $100,000 up to $250,000 and to authorize payment of same.

e. The Board of Directors, upon recommendation by the A&F Committee, shall approve all settlements of valid claims and actions in excess of $250,000 and authorize payment of same.

3. Presentation of Claims

a. For claims subject to the California Government Claims Act, the General Manager is authorized to, upon advice of General Counsel, perform the following functions of the Board with respect to handling administrative claims presented to the Authority: ascertain the sufficiency of claims with respect to the required contents of a claim, notify claimants of insufficiency, notify claimants of the failure to present claims within the time allowed by law, approve or deny applications for leave to present a late claim pursuant to California Government Code Sections 911.4 through 911.6, reject claims, allow claims in whole or in part, and compromise or settle claims and lawsuits to the extent permitted by the resolution adopting this Policy.