

UTAH TRANSIT AUTHORITY POLICY

No. UTA.02.10

AUTHORITY TO SETTLE CLAIMS

1) Purpose.

This Policy ("Policy") establishes authority for evaluating settlement offers and the levels for settling claims.

2) Definitions.

"Claim" means a demand for compensation for damages under UTA's self-insurance and corporate insurance program liabilities, including legal entitlements.

"Claims and Insurance Department" means the UTA department responsible for assessing the validity of claims, determining coverage and liability, and negotiating settlements.

"Closed Session" means a portion of a board meeting that is closed to the public and is intended for the discussion of confidential or sensitive matters as permitted by the Utah Open and Public Meetings Act.

"Owner Controlled Insurance Program" means the use of a centralized insurance program administered by UTA.

"Risk Management Program" means the organization's program to identify, assess, mitigate, and monitor potential risks to the agency.

"UTA" means Utah Transit Authority.

"UTA Representative" means a UTA employee listed in Table A.

3) Policy.

A. Review of Settlement Offers

1. All settlement offers for property and casualty claims received prior to litigation will be reviewed and processed by the Claims and Insurance Department.
2. All settlement offers for other types of disputes will be conveyed for review by the attorney advising on the dispute to the Manager, Director, Chief Officer or Executive Director responsible for the department in which the dispute arose.
3. If the attorney or UTA Representative evaluating the settlement offer believes rejecting the offer presents a substantial risk to the organization, the settlement offer may be presented to the Executive Director or the Board of Trustees pursuant to the Utah Open and Public Meetings Act.
4. Any UTA Representative responsible for reviewing settlement offers may delegate the task of reviewing settlement offers to another person or persons within that UTA Representative's department.

B. Authority to Settle Claims

1. Claims Against UTA.

Claims against UTA may be settled in accordance with the limitations set forth in Table A of this Policy.

2. Claims Against Third Parties.

The Claims and Insurance Department routinely investigates and processes claims for money or property owed to UTA. Claims against third parties will be settled for the amount of damage or loss at the Authority level established in Table A. If adjustment of this amount is necessary to settle the claim, authority to make the adjustment will be in accordance with the limitations set forth in Table A of this Policy.

3. Risk Financing.

Certain risk financing approaches, such as an Owner-Controlled Insurance Program, provide unique benefits to the Authority's Risk Management Program. Prior to the use of a risk financing approach, legal counsel will prepare a plan for managing it. The Executive Director will approve the plan before it is put into use.

4. Authority for Settlements Exceeding \$200,000.

Table A requires authority to settle any claim over \$200,000 to be approved by the Board of Trustees. In order to maintain the protected status of settlement negotiations while meeting the obligation as a public agency of being transparent, the Authority to Settle Claims Over \$200K procedure will be followed.


4) Cross-References.

- Board Policy 2.1 Financial Management
- Utah Code Title 52 Chapter 4 Utah Open and Public Meetings Act
- Utah Code Title 63A Chapter 7 Utah Governmental Immunity Act

This UTA Policy was reviewed by UTA's Chief Officers on 08/02/2023, approved by the Board of Trustees on 10/11/2023 and approved by the Executive Director on 10/12/2023. This policy takes effect on the latter date.

DocuSigned by:

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 Viola Miller, Chief Financial Officer
 Accountable Executive

DocuSigned by:

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 Jay Fox
 Executive Director

Approved as to form and content:

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 Mike Bell
 Counsel for the Authority

History

Date	Action	Owner
06/24/2004	Adopted – Corporate Policy 1.1.3 Authority to Settle Claims	
06/20/2018	Revised – Corporate Policy 1.1.3 Authority to Settle Claims	
10/12/2023	Rescinded – Corporate Policy 1.1.3 Authority to Settle Claims	Chief Financial Officer
10/11/2023	Board Approved – UTA.02.10 Authority to Settle Claims	Chief Financial Officer
10/12/2023	Adopted – UTA.02.10 Authority to Settle Claims	Chief Financial Officer

Table A

Claims Settlement Authority	Claims Settlement Authority Approve for:
Up to \$10,000.00	Claims Adjuster, Recovery Adjuster, Claims Administrator, Workers Compensation Claims Administrator, Director HR Business Partner, Labor Relations Officer
Up to \$35,000.00	Claims & Insurance Manager
Up to \$49,999.99	Chief Officer
\$50,000.00 to \$199,999.99	Executive Director
\$200,000 and over	After consultation with the Board of Trustees, the Executive Director may grant authority for settlement in an amount exceeding \$200,000 with the understanding that any negotiated settlement amount over \$200,000 must still receive final approval by the Board of Trustees.