



BOARD OF DIRECTORS MEETING

**Thursday, June 26, 2025
2:30 p.m.
269 Melrose Street, Providence
Transportation Board Room**

The meeting can be watched online here:

[RIPTA Board of Directors June 26, 2025](#)

AGENDA

1. Board Approval To consider for approval the Draft Meeting Minutes of the Board of Directors Meeting of May 22, 2025.
2. Public Comment /
Board Discussion Limited to 3 minutes per person.
3. CEO Report
 - CEO Update
 - Key Initiatives
 - Employee Spotlight
 - Budget
 - Ridership
 - On Time Performance
 - Lost Service

By a majority vote, a public body may amend its agenda to add items. The additional items shall be for informational purposes only and may not be voted on except when necessary to address an unexpected occurrence requiring immediate action or to refer the matter to an appropriate committee pursuant to R.I. Gen. Laws §42-46-6(b).

Copies of Meeting Minutes may be obtained pursuant to RIPTA's public records policy, which is available at <https://www.ripta.com/public-records-request/> of hearing can be provided by calling 784-9500 x1171 at least 48 hours in advance. The location is accessible to the handicapped.



4. Board Discussion / Potential Vote Election of Officer - Vice-Chair
5. Board Discussion / Potential Vote Efficiency Study Update
6. Board Discussion / Potential Vote Legislative / Budget Update
7. Board Discussion / Potential Vote Request for Approval – Award of Contract – Thermo King Parts
8. Board Discussion / Potential Vote Request for Approval – Stop Loss Policy
9. Board Discussion / Potential Vote Board Questions and Answers
10. Executive Session Executive Session to consider, discuss and act upon such matters as may be closed to the public pursuant to R.I. Gen. Laws §42-46-5(2) Sessions pertaining to collective bargaining or litigation, or work sessions pertaining to collective bargaining or litigation; and R.I. Gen. Laws §42-46-5(7) A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest. Public funds shall include any investment plan or matter related thereto, including, but not limited to, state lottery plans for new promotions.
11. Adjournment

This Agenda has been posted June 23, 2025

By a majority vote, a public body may amend its agenda to add items. The additional items shall be for informational purposes only and may not be voted on except when necessary to address an unexpected occurrence requiring immediate action or to refer the matter to an appropriate committee pursuant to R.I. Gen. Laws §42-46-6(b).

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Board of Directors Meeting Minutes

Thursday, May 22, 2025

1:30 p.m.

**269 Melrose Street, Providence
Transportation Board Room**

Members Present: Director Peter Alviti, Board Chair; James Leach, Board Treasurer; Patrick Crowley, Board Secretary; Normand Benoit; Vincent Masino; Heather Schey; and James Lombardi.

Absent Members: Board Vice Chair, Robert Kells; and Marcy Reyes.

Also Present: Christopher Durand, CEO; Christopher Fragomeni, Esq., Board Counsel; Jacqueline Weidinger, Administrative Assistant-Executive Office; members of RIPTA's staff; and members of the public.

Call to Order: Director Alviti calls the meeting to order at 1:30 p.m., indicating that quorum was present.

Agenda Item 1: **To consider for approval the Draft Meeting Minutes of the Board of Directors Meeting of April 24, 2025.**

Mr. Crowley makes a motion to approve the minutes of the April 24, 2025, meeting. Mr. Masino seconds, and the motion passes with favorable votes by Ms. Schey, Mr. Benoit, Mr. Leach, Mr. Lombardi, and Director Alviti.

Agenda Item 2: **To consider for approval the Draft Executive Session Meeting Minutes of the Board of Directors Meeting of April 24, 2025.**

Mr. Crowley makes a motion to approve the Executive Session minutes of the April 24, 2025, meeting. Mr. Masino seconds, and the motion passes with favorable votes by Ms. Schey, Mr. Benoit, Mr. Leach, Mr. Lombardi, and Director Alviti.

Agenda Item 3: **Public Comment**

1. Daria Phoebe Brashear – Edgewood Resident
States that the number one priority is keeping current service levels and helping RIPTA to expand service.

2. Dylan Giles – Save RIPTA
States that service cuts would be devastating and implores the Board to fight for the agency.
3. Liza Burkin – Providence Streets Coalition
Advises that she went to the hearing last night and there were 30 speakers and 182 pieces of written testimony. States that it was helpful to see public support and that RIPTA cannot afford the status quo.
4. Teresa Tanzi, State Representative, District 34
States she is shocked that there was no presence of RIPTA at the hearing last night. She asks the Board if they are on board with the funding bills. Advises that RIPTA needs a sustained funding source and needs funding, not an efficiency study.
5. Randall Rose
Advises of the status of Bill 6096 which terminates funding for Next Wave. States that Board Members need to speak to the General Assembly about funding for RIPTA.

Agenda Item 4: **CEO Report**

Christopher Durand, RIPTA's CEO, provides updates regarding ridership, on time performance, and bus stop improvements. No vote is taken.

Agenda Item 5: **Budget Update / Efficiency Study**

Christopher Durand provides an update to the Board regarding the Budget and the status of the Efficiency Study. No vote is taken.

Agenda Item 6: **Ride Anywhere Pilot Study**

Christopher Durand presents the results of the Ride Anywhere Pilot Study. No vote is taken.

Agenda Item 7: **Request for Approval – Award of Contract – Construction Contract to Install Shelters on the Transit Emphasis Corridor in Pawtucket**

Matthew Quider, Project Manager, makes the request.

Mr. Benoit makes a motion to approve. Mr. Crowley seconds and the motion passes with favorable votes by Mr. Lombardi, Mr. Leach, Ms. Schey, Mr. Masino, and Director Alviti.

Agenda Item 8: **Board Questions and Answers**

Matthew Quider provides the Board with an update as to the status of the new Pawtucket Central Falls Transit Center. No vote is taken.

Agenda Item 9: **Adjournment – 2:24pm**

Mr. Crowley makes a motion to adjourn. Mr. Benoit seconds and the motion passes with favorable votes by Mr. Lombardi, Mr. Leach, Ms. Schey, Mr. Masino, and Director Alviti.

Respectfully submitted,

Patrick Crowley, Secretary

DRAFT



CEO UPDATE



Bike to Work Month – No Pollute Commute Challenge

Over 100 commuters traded in their car keys for a ride on two wheels during Bike to Work Month! RIPTA held weekly pop-up events in Providence and Newport to celebrate and encourage Rhode Islanders to reduce their carbon footprint. Together, they biked an impressive 12,981 miles and reduced 2,703 car trips.

RIPTA Receives Sustainable Transportation Award

RIPTA was honored with the Sustainable Transportation Award during the inaugural Rhode Island Clean Energy Week 2025, presented by the Northeast Renewable Energy Coalition (NREC). The award recognizes RIPTA's outstanding leadership and commitment to advancing sustainable transportation solutions throughout Rhode Island. RIPTA was selected for this honor in recognition of its innovative efforts to reduce emissions, improve air quality, and provide environmentally-responsible public transit options for Rhode Island residents.

Omni Providence First Hotel Group to Join Wave to Work

The Omni Providence is the first hotel in Rhode Island to join the Wave to Work commuter benefits program! With approximately 260 employees, Omni is making it easier for their team to get to work by partially subsidizing monthly RIPTA bus passes. This partnership reflects a shared commitment to reducing transportation barriers, supporting workforce development, and promoting sustainable commuting options. XXX employees are participating.

2025 APTA Legislative Conference

CEO Christopher Durand attended the 2025 Legislative Conference, where he had the honor of introducing Senator Sheldon Whitehouse to an audience of public transportation professionals working to influence national policy. During the conference, Durand met with Senator Whitehouse, Senator Reed, and Congressman Amo to discuss the opportunities and challenges facing RIPTA and to explore how federal legislation and policy initiatives can support the agency's progress and long-term success.

RIPTA Adds Bus Stops to Serve New CODAC Behavioral Healthcare Center

RIPTA added two new bus stops on Route 72 to serve the new community health center in Providence where they offer medical care, addiction treatment, mental health services, and workforce development resources. To help patients get to the new facility, RIPTA added two bus stops on Silver Spring Street. Adding a bus stop near a recovery center helps eliminate a major transportation barrier to treatment, improving access to supportive services and promoting better health outcomes statewide.

2025 Community Site Visits for Reduced Fare Bus Pass Program for Seniors and People with Disabilities

Every month, RIPTA's Customer Service staff will travel to communities throughout the state to process Photo ID bus passes for qualified seniors and individuals with disabilities with valid documentation. These statewide Photo ID Community Site Visits allow residents in both rural and urban areas to access transit information and apply for the Reduced Fare Bus Pass Program without having to travel to RIPTA offices in Providence.

RIPTA staff traveled to the Westerly Senior Center, South Kingstown Senior Center, East Providence Senior Center and the St. Elizabeth House Complex in Warwick processing a total of 42 bus passes.

KEY INITIATIVES

Workforce Development

Hiring has been slowed due to budget uncertainty
Reviewing new training programs



Service Improvements

Service changes implemented June 21
Several route improvements
Service to state beaches resumed



Amenity Improvements

New wayfinding signs in Kennedy Plaza
New Real-time signage being installed in Plaza



Performance Data and Benchmarking

First 5 tasks of efficiency study drafted and provided to General Assembly and Governor



Darlene Diaz



EMPLOYEE SPOTLIGHT

Darlene Diaz joined RIPTA in 2006 through a temp agency, expecting a short-term role, but RIPTA quickly recognized her value. After six months, she was offered a permanent position and began her career in Customer Service at the Kennedy Plaza Ticket Window, where she remained for 13 years. In 2020, she transitioned to her current role in the Maintenance Department, bringing her frontline experience to the operational side of the organization.

“Customer service is all about outreach,” Darlene explains. “Maintenance is more behind the scenes, it's about helping RIPTA run from the inside.” Today, she manages maintenance personnel records, coordinates vendor paperwork for facilities, and keeps vital internal operations on track.

Over the years, she has seen firsthand how every part of the agency plays a role in keeping RIPTA moving. “Customer service gave me perspective on what riders need. Now I get to support the people and systems that keep everything running behind the scenes,” she says. “It feels good to be part of something bigger.”

Outside of work, Darlene recently welcomed her second daughter, Cora, and is navigating the joys (and exhaustion!) of being a mom to both an 18-year-old and a baby. “I’m still in shock,” she laughs. “But I’m so in love with her.”

What does she appreciate most about her current role? “Having my own space, a sense of structure, and knowing that what I do truly matters to RIPTA.” She credits her close friendships with coworkers like Olginia and Lori, who’ve been by her side since the Kennedy Plaza days, for making the journey even better.

Maintenance Records Analyst

Budget to Actual - May 2025

Budget-Actual FY 2025	Monthly Current Year			
	Budget	Actual	VAR \$	VAR %
Federal Subsidies	\$3,292,469	\$2,042,891	(\$1,249,579)	-38.0%
Federal Subsidies-CARES Act	\$2,229,796	\$0	(\$2,229,796)	-100.0%
State Subsidies	\$7,862,459	\$4,351,111	(\$3,511,348)	-44.7%
Other Revenue	\$838,051	\$2,900,748	\$2,062,697	246.1%
Passenger Fares	\$1,116,787	\$1,038,011	(\$78,775)	-7.1%
Third Party Fares	\$1,610,008	\$981,136	(\$628,872)	-39.1%
Special Project Revenue	\$244,542	\$0	(\$244,542)	0.0%
Total Revenue	\$17,194,111	\$11,313,897	(\$5,880,214)	-34.2%
	Budget	Actual	VAR \$	VAR %
Salaries & Fringe Benefits	\$10,466,799	\$9,529,794	\$937,005	9.0%
Contract Services	\$1,125,962	\$1,088,905	\$37,057	3.3%
Operating Expense	\$2,145,744	\$2,040,337	\$105,407	4.9%
Utilities	\$150,302	\$207,782	(\$57,480)	-38.2%
Capital Match & Repayment	\$43,947	\$0	\$43,947	100.0%
Debt Service	\$0	\$0	\$0	0.0%
Special Projects	\$119,542	\$130,305	(\$10,763)	-9.0%
Total Expenses	\$14,052,295	\$12,997,123	\$1,055,173	7.5%
Surplus/(Deficit)	\$3,141,816	(\$1,683,225)	(\$4,825,041)	

- Federal Subsidies are under budget in May due to timing of grant funding; we made a final draw down of relief funding in April.
- State subsidies are under budget in May due to fluctuations year to year in gas tax payments.
- Other revenue is over budget due to catch up payments related to pharmacy rebates.
- Third party fares are under budget in May, though on target year to date.
- Salaries, contract services, and operating expenses are all within 10% of budget.

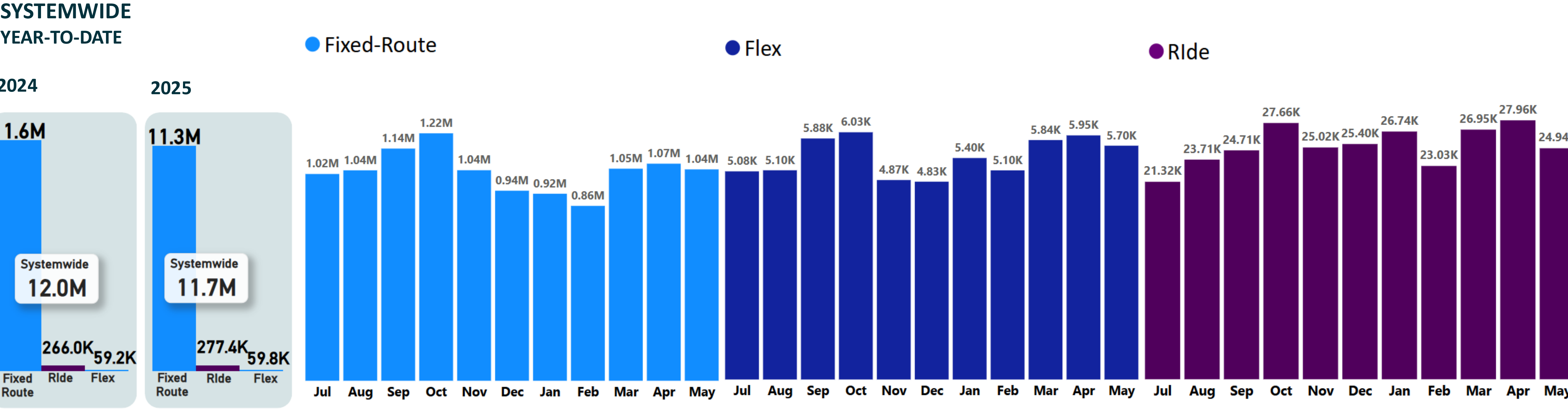
Budget to Actual through May 31, 2025

Budget-Actual FY 2025	Year To Date Current Year			
	Budget	Actual	VAR \$	VAR %
Federal Subsidies	\$36,217,160	\$26,641,738	(\$9,575,422)	-26.4%
Federal Subsidies-CARES Act	\$11,148,980	\$13,378,776	\$2,229,796	20.0%
State Subsidies	\$58,365,420	\$52,890,154	(\$5,475,266)	-9.4%
Other Revenue	\$9,226,393	\$7,864,647	(\$1,361,746)	-14.8%
Passenger Fares	\$10,483,083	\$10,285,442	(\$197,640)	-1.9%
Third Party Fares	\$11,549,181	\$9,016,506	(\$2,532,675)	-21.9%
Special Project Revenue	\$2,689,958	\$0	(\$2,689,958)	-100.0%
Total Revenue	\$139,680,176	\$120,077,264	(\$19,602,912)	-14.0%
	Budget	Actual	VAR \$	VAR %
Salaries & Fringe Benefits	\$100,532,907	\$99,449,981	\$1,082,926	1.1%
Contract Services	\$12,385,483	\$7,984,358	\$4,401,124	35.5%
Operating Expense	\$24,326,048	\$15,804,792	\$8,521,256	35.0%
Utilities	\$1,711,241	\$2,246,650	(\$535,409)	-31.3%
Capital Match & Repayment	\$483,417	\$0	\$483,417	100.0%
Debt Service	\$0	\$0	\$0	0.0%
Special Projects	\$1,314,958	\$0	\$1,314,958	100.0%
Total Expenses	\$140,754,053	\$125,485,780	\$15,268,273	10.8%
Surplus/(Deficit)	(\$1,073,878)	(\$5,408,517)	(\$4,334,639)	

- Federal Subsidies are under budget due to CMAQ grant timeline and fewer Preventative Maintenance expenses; all operating relief funding has been drawn down.
- Other Revenue - we received 3 payments related to pharmacy rebates in May.
- Contract Services and Operating Expenses are under budget due to spending reductions and project timelines.

MONTHLY RIDERSHIP

Systemwide Ridership: May 2025



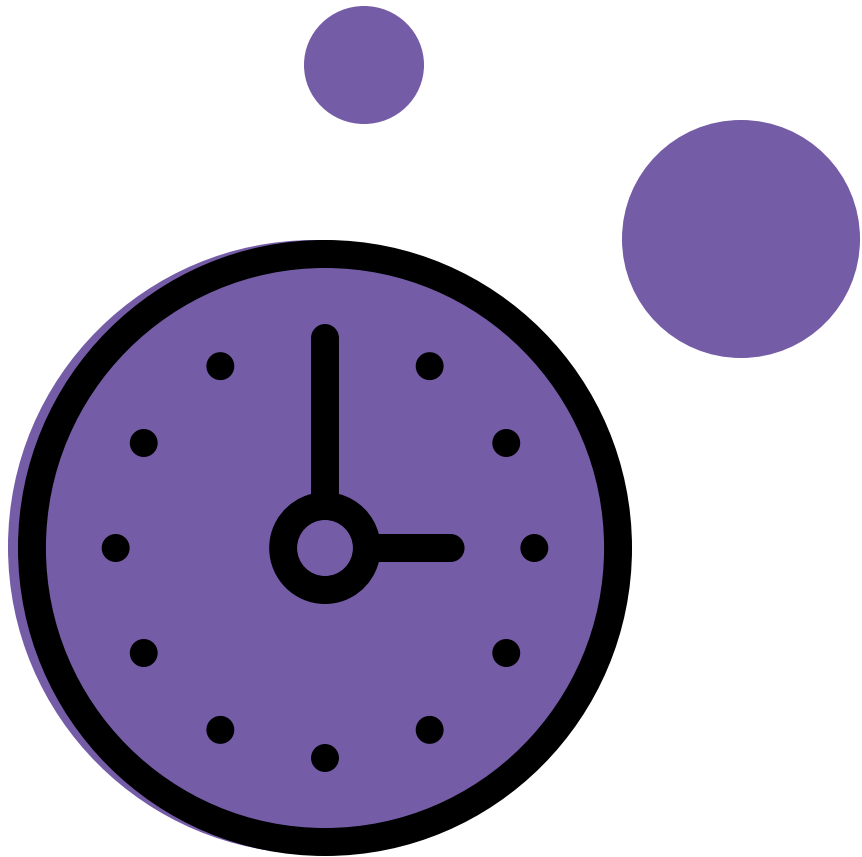
RIDERSHIP DECREASED 2% YEAR-TO-DATE FROM 2024

Fixed-Route ridership counts come from the Automatic Passenger Counts (APCs) from UTA.
Flex and Rlde Paratransit ridership counts come from Reveal tablets for Rlde, and 3rd party reports for Taxi trips, Flex On Demand ridership (included with Flex) comes from Spare

ON TIME PERFORMANCE (OTP): FIXED-ROUTE

	2025	2024	2023	2022
MAY	77.5%	73.4%	78.6%	81.1%
APRIL	78.4%	76.5%	81.3%	81.7%
MARCH	78.9%	78.3%	82.4%	82.2%
FEBRUARY	79.6%	78.3%	82.2%	81.3%
JANUARY	79.1%	77.3%	82.4%	82.2%
DECEMBER		76.4%	76.9%	80.2%
NOVEMBER		74.0%	77.9%	79.2%
OCTOBER		73.7%	77.3%	78.3%
SEPTEMBER		72.7%	77.0%	78.1%
AUGUST		76.7%	79.3%	81.3%
JULY		78.0%	79.5%	81.0%

OTP INCREASED BY 4% IN MAY 2025 FROM MAY 2024



On Time Performance

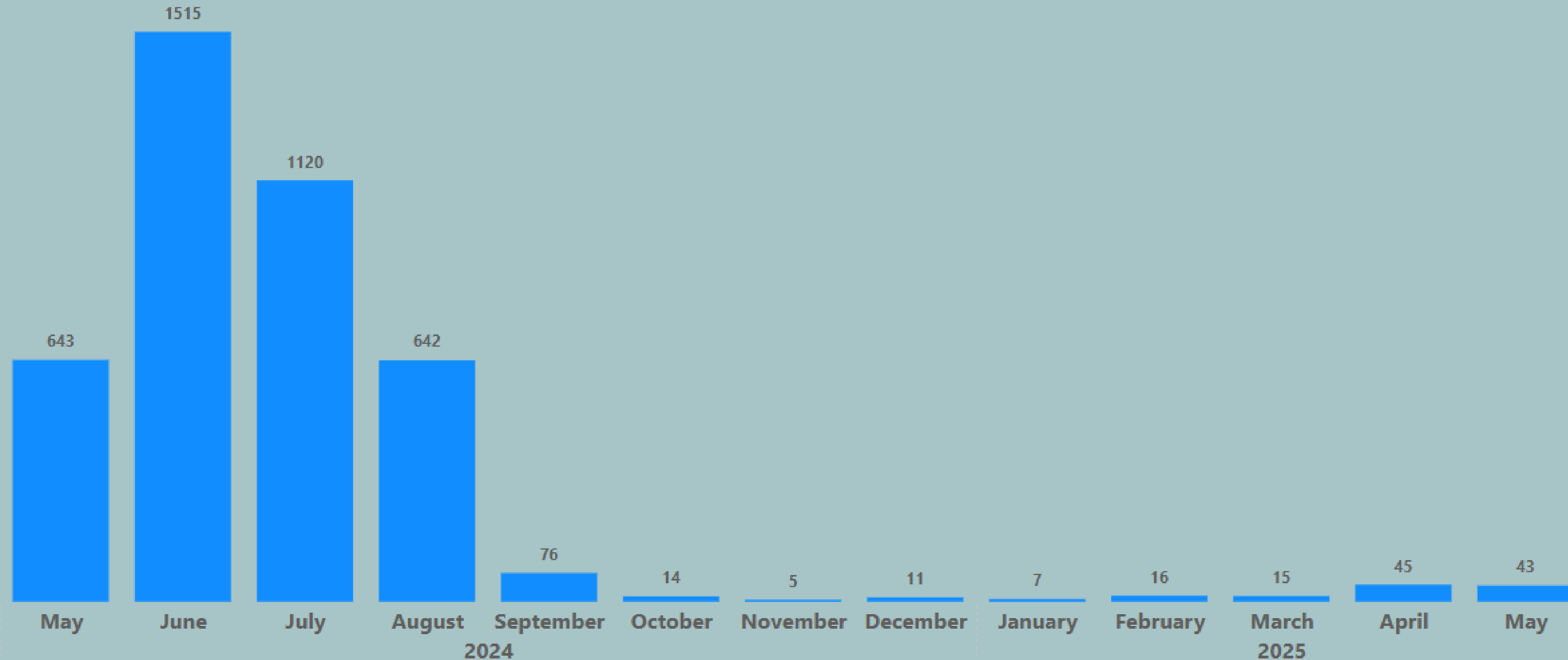
On Time Performance (OTP) is based on Departure Time. On Time is between 1 minute early and 5 minutes late.

ABBG AVERAGE: 79%

LOST SERVICE

May 2025

Cancelled/Uncovered Trips by Year and Month



* Counts based on regular trips

** Cancelled does not include Standby or School Cancelled trips



RHODE ISLAND PUBLIC TRANSIT AUTHORITY STAFF SUMMARY FORM

TO:	RIPTA Board of Directors	DATE:	06/10/2025
PREPARED BY:	John Chadwick	DEPARTMENT:	Inventory

TITLE : IFB 25-12 Thermo King Parts

RIPTA Board of Directors is requested to award a contract to Thermo King Northeast, LLC of New Britain CT to supply and deliver Genuine Thermo King air conditioning and related parts to the Authority. Thermo King Northeast is the regional factory distributor of genuine Thermo King parts. Based upon historical usage, the estimated annual cost of this contract is \$120,000 per year. This is a one year contract with up to four annual renewal options to be exercised at the sole discretion of the Authority.

BACKGROUND

On April 3, 2025 IFB 25-12 entitled Thermo King parts was issued. The IFB was publicly advertised on the RI State Purchasing website and sent directly to 10 vendors
A single bid was received on May 4, 2025. The procurement team determined that the bid was fair and reasonable by conducting a single bid analysis.

JUSTIFICATION

The Thermo King parts specified in this bid are used for the majority of RIPTA's revenue fleet. The parts are both the high volume parts need for preventative maintenance as well as parts needed to complete running repairs. These parts are needed to keep the fleet in a state of good repair and operation.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY STAFF SUMMARY FORM

TO:
DATE:

PREPARED BY:
DEPARTMENT:

FUNDING

Funding is 80% federal and 20% operating.





ALTERNATIVES

The alternative would be to attempt to solicit multiple quotes for the parts on an as needed basis. This would delay the receipt of the parts while not receiving the volume discount.

RECOMMENDATION

Award the contract as described above.

APPROVALS (shaded Departments must approve all Staff Summaries). Projects between \$5,000 and \$10,000 must have Department Director/AGM. Projects between \$10,000 and \$100,000 must have CEO also. Projects greater than \$100,000 must also have Board of Directors Approval

Department	Initial	Date	Department	Initial	Date
Budget/Finance	 NW	<input type="text" value="06/13/2025"/>	Maintenance/Facility	 John Chadwick	<input type="text"/>
Customer Service	<input type="text"/>	<input type="text"/>	Marketing	<input type="text"/>	<input type="text"/>
Environmental/Safety	<input type="text"/>	<input type="text"/>	Planning	<input type="text"/>	<input type="text"/>
Project Management	<input type="text"/>	<input type="text"/>	Procurement		<input type="text" value="06/12/2025"/>
Flex/Paratransit	<input type="text"/>	<input type="text"/>	Security	<input type="text"/>	<input type="text"/>
Human Resources	<input type="text"/>	<input type="text"/>	Training	<input type="text"/>	<input type="text"/>
Inform. Services	<input type="text"/>	<input type="text"/>	Transportation	<input type="text"/>	<input type="text"/>
Legal/Risk Mgmt	<input type="text"/>	<input type="text"/>	Chief Exec. Officer	 Christopher Durand	<input type="text" value="06/13/2025"/>

Signature: *Nathan Watchous*

Email: nwatchous@ripta.com

Signature: *Lila Hanson*

Email: lhanson@ripta.com

Signature: *John Chadwick*

Email: jchadwick@ripta.com

Signature: *CD*
Christopher Durand (Jun 13, 2025 12:31 EDT)

Email: cdurand@ripta.com

RHODE ISLAND PUBLIC TRANSIT AUTHORITY STAFF SUMMARY FORM

TO: RIPTA Board of Director

DATE: 06/18/25

PREPARED BY: Nathan Watchous, Interim Deputy Chief Finance

DEPARTMENT: Finance

TITLE : FY26 Healthcare Stop-Loss Policy

This is a request to allow the Authority to enter into a stop loss policy contract with Berkshire Hathaway in the amount of \$480,000 for FY26. This policy was procured by our broker, Segal, who provided the attached analysis. This policy will be in effect for all health insurance claims including both medical and prescription drugs for active employees, COBRA, disabled, and Non-Medicare retirees for a period of twelve months effective July 1, 2025.

BACKGROUND

Segal solicits quotes and negotiates rates on behalf of the Authority. Our current provider offered a renewal policy that increased rates by 37.8%, which necessitated a new request for proposals. The rate offered by Berkshire Hathaway is 8.1% higher than the rate paid in FY25, which we have deemed reasonable. This policy is maintained due to the large financial impact of unexpected large claims.

JUSTIFICATION

RIPTA is self-insured for healthcare, and with the cost of treatments and medications increasing, the risk of catastrophic claims occurring is becoming more probable. By having this policy in place, the Authority is safeguarded from sudden large costs that pose a risk to the Authority's ability to maintain service.

RHODE ISLAND PUBLIC TRANSIT AUTHORITY STAFF SUMMARY FORM

TO:

PREPARED BY:

DATE:

DEPARTMENT:

FUNDING

RIPTA operating funds will pay for the stop loss coverage

ALTERNATIVES

RIPTA could decide not to pay for stop loss coverage and instead accept the risk of potential claims. Without having cash reserves, this decision could be detrimental to our ability to maintain service levels, impacting the quality of service provided to Rhode Islanders.

RECOMMENDATION

Approve a healthcare stop loss policy with Berkshire Hathaway in the amount of \$480,000 with a deductible of \$400,000.

APPROVALS (shaded Departments must approve all Staff Summaries). Projects between \$5,000 and \$10,000 must have Department Director/AGM. Projects between \$10,000 and \$100,000 must have CEO also. Projects greater than \$100,000 must also have Board of Directors Approval

Department	Initial	Date	Department	Initial	Date
Budget/Finance	<input type="text" value="NW"/>	<input type="text" value="06/18/25"/>	Maintenance/Facility	<input type="text"/>	<input type="text"/>
Customer Service	<input type="text"/>	<input type="text"/>	Marketing	<input type="text"/>	<input type="text"/>
Environmental/Safety	<input type="text"/>	<input type="text"/>	Planning	<input type="text"/>	<input type="text"/>
Project Management	<input type="text"/>	<input type="text"/>	Procurement	<input type="text"/>	<input type="text"/>
Flex/Paratransit	<input type="text"/>	<input type="text"/>	Security	<input type="text"/>	<input type="text"/>
Human Resources	<input type="text"/>	<input type="text"/>	Training	<input type="text"/>	<input type="text"/>
Inform. Services	<input type="text"/>	<input type="text"/>	Transportation	<input type="text"/>	<input type="text"/>
Legal/Risk Mgmt	<input type="text" value="NW"/>	<input type="text" value="06/18/25"/>	Chief Exec. Officer	<input type="text" value="NW"/>	<input type="text" value="06/23/25"/>

Memorandum

To: Nathan Watchous, Interim Deputy Chief of Finance
Rhode Island Public Transit Authority (RIPTA)

From: Alexandra (Sasha) Dalziel, Vice President and Health Consultant
Steve J. Manning, ASA, MAAA, Health Consultant

Date: June 17, 2025

Re: RIPTA - Specific Stop Loss Coverage Effective July 1, 2025

Background information

As a reminder, RIPTA awarded the specific stop loss coverage to Granular Insurance effective July 1, 2022, as a result of the request for proposal process conducted by Segal. Prior to that, RIPTA was covered by Blue Cross Blue Shield of Rhode Island (BCBSRI), RIPTA's medical carrier, for stop loss coverage from July 2020 through June 2022. Last year's stop loss policy renewal with Granular resulted in 5.0% premium rates increase effective July 1, 2024, negotiated by Segal (versus the originally proposed 9.3%).

For the stop loss policy year effective July 1, 2025, Segal initially reviewed the Granular renewal and as the result of the high renewal, the recommendation was to request proposals from other carriers. The process was broken into the following stages:

- Request proposals
- Solicit best and final offers from most competitive vendors, as well as the incumbent

When requesting bids, vendors were requested to submit bids under the following two options:

Option 1 – Current provisions

- Specific Stop Loss Deductible: \$400,000
- Stop Loss Claims Basis: 12/18 (Incurred in 12 months & Paid in 18 months)
- Stop Loss Coverage: Medical and Prescription Drug
- Groups Covered: Active, COBRA, Disabled, Non-Medicare Retirees
- Annual and Lifetime Maximum: Unlimited
- Single Rate and Family Rate
- 7% broker commissions payable to Segal
- No New Laser at Renewal and 40% Renewal Rate Cap

Option 2 – Current provisions with a \$100,000 aggregating specific deductible

An aggregating specific deductible exchanges premium relief for additional risk to the plan. In Option 1, RIPTA would be reimbursed for any claims over \$400,000 for any individual. In Option 2, RIPTA would be liable for an additional \$100,000 after the \$400,000 threshold for claims from all members. For example, if Claimant A has \$475,000 in claims and Claimant B has \$450,000 in claims, there would be \$125,000 in reimbursable claims in Option 1. However, in Option 2, RIPTA would be responsible for \$100,000 of the \$125,000 reimbursable claims. As noted, the group would get premium relief in exchange for additional limited risk.

It is also important to note that there would be an additional **\$2.50 per enrollee per month (PEPM) administrative fee payable to BCBSRI** to provide large claim reporting to a third party stop loss carrier should the stop loss coverage be moved to another carrier other than BCBSRI. This fee is in addition to BCBSRI's medical administrative services only (ASO) fee. We have incorporated this into our financial analysis.

Segal notes some vendors were not able to match the requested provisions exactly, any vendor proposals discussed in this memo include the stated provisions unless otherwise noted.

Request for proposals

Segal requested bids from the following twelve carriers: Granular (incumbent), Amalgamated Life, BCBSRI, Berkshire Hathaway, CM Risk, One80, SunLife, Symetra, TMHCC, Ullico, Vista, and Voya. We note that responses were as follows:

Did Not Respond	Responded but Declined to Bid	Submitted Proposals – Not Competitive	Submitted Proposals – Best and Final Requested
<ul style="list-style-type: none">• Vista	<ul style="list-style-type: none">• Amalgamated• SunLife• Symetra• Voya	<ul style="list-style-type: none">• CM Risk• TMHCC• Ullico	<ul style="list-style-type: none">• BCBSRI• Berkshire Hathaway• One80• Granular (incumbent)*

Result:

Segal requested best and final offers from the three competitive proposals based on the current policy provisions, as well as Granular as the incumbent.

Best and final offers

We received best and final offers from BCBSRI, Berkshire Hathaway, and One80.

* Granular's RFP proposal did not change from their renewal proposal.

Granular and One80 did not adjust or make any further changes to their original proposals.

The chart on the following page shows the financial bids **under the current policy provisions** for BCBSRI, Berkshire Hathaway, and One80 proposals compared to Granular's current and proposed rates.

Note: Upon request Segal can provide results for bids from other vendors for both provisions options (current and the option adding aggregating specific deductible).

Option 1

Specific Deductible Per Individual \$400,000 (with No Aggregating Specific Deductible) *Proposed Coverage for 7/1/2025-6/30/2026*

	Current 7/1/2024- 6/30/2025				
	Granular	Granular (Incumbent)	BCBSRI	Berkshire Hathaway	One80
Contract Basis	12/18	12/18	12/18	12/18	12/18
Specific Stop Loss Level	\$400,00	\$400,000	\$400,00	\$400,000	\$400,000
Monthly Premium Rates					
Individual (362 Contracts) ¹	\$25.00	\$35.00	\$31.51	\$23.34	\$23.71
Family (467 Contracts)	\$55.39	\$77.55	\$69.82	\$63.12	\$52.41
Annual Specific Stop Loss Premium	\$419,000	\$586,600	\$528,200	\$455,100	\$396,700
BCBSRI Admin Fee (\$2.50 PEPM)	\$24,900	\$24,900	\$0	\$24,900	\$24,900
Total Cost	\$443,900	\$611,500	\$528,200	\$480,000	\$421,600
Change from Current					
Increase - \$		\$167,600	\$84,300	\$36,100	-\$22,300
Increase - %		37.8%	19.0%	8.1%	-5.0%
Change from Renewal					
Increase - \$			-\$83,300	-\$131,500	-\$189,900
Increase - %			-13.6%	-21.5%	-31.1%
Commissions Included in Premium	7%	7%	7%	7%	7%
40% Rate Cap and No Laser at Renewal	Yes	Yes	Yes	Yes	No
Lasers (if applicable)	N/A	N/A	N/A	1 Laser at \$475,000 ²	1 Conditional Laser at \$1,000,000

Option 2

Specific Deductible Per Individual \$400,000
(with \$100,000 Aggregating Specific Deductible)
Proposed Coverage for 7/1/2025-6/30/2026

	Current 7/1/2024- 6/30/2025				
	Granular	Granular (Incumbent)	BCBSRI	Berkshire Hathaway	One80
Contract Basis	12/18	12/18	12/18	12/18	12/18
Specific Stop Loss Level	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Monthly Premium Rates					
Individual (362 Contracts) ¹	\$25.00	\$32.35	\$24.95	\$18.21	\$18.38
Family (467 Contracts)	\$55.39	\$71.69	\$55.28	\$49.25	\$38.71
Annual Specific Stop Loss Premium	\$419,000	\$542,300	\$418,200	\$355,100	\$296,800
BCBSRI Admin Fee (\$2.50 PEPM)	\$24,900	\$24,900	\$0	\$24,900	\$24,900
Total Cost	\$443,900	\$567,200	\$418,200	\$380,000	\$321,700
Change from Current					
Increase - \$		\$123,300	-\$25,700	-\$63,900	-\$122,200
Increase - %		27.8%	-5.8%	-14.4%	-27.5%
Aggregating Specific Liability (ASL)	\$0	\$100,000	\$100,000	\$100,000	\$100,000
Total Maximum Liability	\$443,900	\$667,200	\$518,200	\$480,000	\$421,700
Change from Renewal					
Increase - \$			-\$149,000	-\$187,200	-\$245,500
Increase - %			-26.3%	-33.0%	-43.3%
Commissions Included in Premium	7%	7%	7%	7%	7%
40% Rate Cap and No Laser at Renewal	Yes	29.4% Rate Cap	Yes	Yes	No
Lasers (if applicable)	N/A	N/A	N/A	1 Laser at \$475,000 ²	1 Conditional Laser at \$1,000,000

Summary of results

- **Granular** – As noted above, Granular did not change their proposal from their initial renewal. Granular's proposal is not competitive.
- **BCBSRI** – BCBSRI has the highest premium increase among considered bidders, outside of Granular. However, their bid contains no lasers, and since BCBSRI is RIPTA's medical carrier, once someone hits the stop loss deductible level, there may be improved cash flow for

¹ As of March 2025

² For a member who is supposed to be terminated from coverage effective May 1, 2025.

RIPTA due to the timing of claim payments and reimbursements. We further note, given the savings in premium for adding the \$100,000 ASL, if RIPTA were to choose BCBSRI, we would recommend adding the \$100,000 Aggregating Specific Deductible option.

- **Berkshire Hathway** – Berkshire has the second lowest premium proposal, and while their bid includes one laser with an increased deductible level of \$475,000 (versus \$400,000 for everyone else), it is our understanding that the participant is migrating to the Plan 65 offering and should no longer be covered under the stop loss policy effective May 1, 2025.
- **One80** – One80's bid has the lowest proposed premium, but includes a conditional laser at \$1 million, meaning that the participant would only be lasered on a specific condition for an additional \$600,000 in potential liability to RIPTA. In addition, One80 declined to provide a "Renewal Rate Cap" and "No Laser at Renewal" while the other bidders provided these provisions.
- **\$100,000 Aggregating Specific Deductible consideration** – RIPTA could consider adding the ASL with any of the proposed bids. However, as noted above, we specifically recommend adding it with the BCBSRI bid based on how the premiums were set by BCBSRI for that option.
- All proposals are firm and final. We note that Berkshire Hathaway's and Granular's proposals are guaranteed through June 30th, 2025. We also note that while BCBSRI's and One80's proposals have a longer guarantee (into mid July 2025), given that the policy effective date is quickly approaching, we hope that the Board can make the decision by **Friday, June 27, 2025**, so we can inform the selected vendor prior to July 1, 2025 to assure that there is no lapse in coverage.

Next steps

- Select a vendor and either Option 1 (with No Aggregating Specific Deductible) or Option 2 (with \$100,000 Aggregating Specific Deductible).
- Inform the vendor and begin contract discussions (Segal will assist RIPTA with these steps).

Additional information

"Laser", as it relates to specific stop loss, transfers the claims risk of certain individuals with known catastrophic ailments to the Plan by either increasing the specific stop loss deductible for those individuals, or by increasing the premiums beyond "normal" leveraged trend.

Theoretically, specific stop loss premiums, as well as most forms of insurance, are priced based on unknown risk. The vendor chooses to "laser" an individual to either mitigate those known claims cost risks or the vendor "prices in" a portion of the anticipated claims cost to the policy year's premiums.

- Under the current and proposed stop loss terms, two of the four vendors considered, Granular and BCBSRI, will not laser any individuals.
- Berkshire Hathaway's proposal includes one laser at \$475,000.
- One80's proposal includes one conditional laser at \$1,000,000.

Granular's, BCBSRI's, and Berkshire Hathaway's proposals include "No New Laser at Renewal" and "Renewal Rate Cap" (29.4% for Granular and 40% for BCBSRI and Berkshire Hathaway) provisions, consistent with the current agreement with Granular. These provisions provide RIPTA with protection for next year's renewal by not allowing the carrier to laser any (new) individuals and limiting the maximum rate increase. One80's proposal does not include either of these provisions.

All rates (current and proposed) include the standard 7% commission payable to Segal.

Carrier financial strength rating – A.M. Best

Company Name	Carrier Rating
Granular Insurance	A- (as of 1/16/2025)
Blue Cross Blue Shield Rhode Island	Not Rated
Berkshire Hathaway	A++ (as of 4/9/2025)
One80	Not Rated

Segal believes it is important to consider the financial strength of insurance companies and managed care organizations that are candidates for initial selection or renewal as insurers or service providers to employee benefit plans. Therefore, we are providing the current claims paying ability rates that were available to us on the date of this document was prepared for the insurance companies or managed care organizations under consideration.

Insurance company and managed care organizations rating category explanation is attached.

Segal does not itself perform insurance company credit quality evaluations and does not offer warranty as to the scope or reliability (e.g., with respect to an organization's ability to meet future obligations) of the insurance company evaluations performed by A.M. Best or any other rating service.

Segal is not responsible for providing monitoring on an ongoing basis.

We note that the cost projections reflected in this document are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from any new health care reform legislation or other recently passed state or federal regulations.

This analysis was prepared for the sole use of RIPTA and its authorized representatives involved in the renewal and the bidding process. Some material provided by vendors may be

deemed proprietary and confidential to them and may not be disclosed or shared with any third parties other than the authorized representatives of RIPTA without the consent of Segal, unless required by public disclosure laws or other legal requirements. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

We are prepared to discuss this memorandum with you in detail and answer any questions you may have regarding the information provided.

Attachment

cc: Christopher Durand, Chief Executive Officer, RIPTA (with attachment)
Ellie Park, Segal (with attachment)

Rhode Island Public Transit Authority (RIPTA)
Specific Stop Loss Proposal Effective July 1, 2025
Rated Categories Explanation

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Signature: *Nathan Watchous*

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