



CASUALTY INSURANCE PROGRAM RENEWAL eff. September 1, 2025

Presented to: Audit, Safety Compliance,
and Real Estate Committee

August 5th, 2025

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Casualty Insurance Program Renewal

GCRTA maintains a Casualty Insurance Program for protection of assets against catastrophic loss

- Excess Liability (General, Rail, Auto): \$95 million limits, \$5 million Self-Insured Retention (“SIR”)
- Excess Workers’ Compensation: \$10 million limit, \$750,000 SIR
- Public Official’s Liability / EPL: \$5 million limit, \$250k SIR/ \$500k SIR
- No increase in retentions or reduction in coverage terms for 2025

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Casualty Insurance Program Renewal

How GCRTA Procures this Insurance

- GCRTA conducts an RFP process to select and retain a casualty insurance broker
 - USI is GCRTA's casualty insurance broker.
- Excess Liability Markets are accessed via its broker. There are no direct writers of these coverages.
 - Together, GCRTA and USI approach insurance markets with a submission describing GCRTA's operations and exposures, loss experience, and safety culture to negotiate the best partnerships with markets and best program for GCRTA in terms of coverage and pricing.

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Casualty Insurance Program Renewal

Public Officials / Employment Practices Liability (EPL) Renewal:

- Provides liability protection to Board Members, directors, officers, as well as GCRTA for alleged wrongful acts by directors, officers, committee members, or employees.
- The policy also provides insurance coverage for employment practices claims.

Excess Workers' Compensation Renewal:

- Provides catastrophic insurance coverage in excess of a \$750,000 self-insured retention, per occurrence.

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GCRTA: 2025 Excess Liability Renewal Market Outlook

The casualty market remains challenging.

- Impact of larger jury verdicts is being priced into the market.
- Markets are still not getting enough premium in high excess layers.
- A few markets are exiting/reducing capacity.
 - *Typical large capacity providers cutting back from \$25M to \$10M in limits*
- Rail/bus markets are particularly focused on reviewing aggregation.
 - *Norfolk Southern derailment loss in East Palestine, OH*

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GCRTA: 2025 Excess Liability Renewal Market Outlook

- GCRTA is better placed in an extremely challenging market given careful risk management strategy and long-term partnership with insurers
 - Program is currently balanced between multiple US, London and Bermuda insurers

GCRTA has historically been viewed as a preferred account by underwriters.

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Casualty Insurance Program Renewal

- **Excess Liability – Largest Program**
- Expiring Premium: \$1,877,664
- Renewal premium: \$2,029,733, an 8% increase
 - Very favorable result.
 - Market experiencing some difficult losses. GCRTA had an expected increase of 10-20%. GCRTA budgeted for a 15% increase.
 - Quota share program - domestic, London and Bermuda markets.

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- **Excess WC Policy renewal**

- Due to marketing efforts, competition generated among markets and obtained a renewal premium slightly under expiring cost.
- Existing carrier, Safety National offering lower rate despite increased personnel costs of 6% (from projected 2024 to projected 2025). Renewal premium quoted is \$287,441 vs \$287,527, a **decrease** of \$86.
- Better than expected result given recommended budgeted amount of \$301,903 (increase of 5%).

Casualty Insurance Program Renewal

- **Public Officials / EPL renewal**

- Incumbent carrier: AIG (National Union).
- Expiring Premium is \$104,000
- Renewal Premium is \$93,940, a 10% **decrease**
- Budgeted for 5% increase in accordance with broker's experience with other public entity accounts.
- The renewal premium does not require Board approval.
 - This update is being provided as this was a coverage line that had required board approval in prior years.

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Casualty Insurance Program Renewal

Summary:

- The combined result for all three insurance policies is a renewal premium of \$2,411,114 vs. expiring premiums of \$2,269,191, an increase of 6% or \$141,923.
- This is \$159,303 under the budgeted amount of \$2,570,417.

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Casualty Insurance Program Renewal

- Staff requests that the Audit, Safety Compliance, and Real Estate Committee recommend to the Board of Trustees the purchase of casualty insurance from various insurance underwriters through USI Insurance Services LLC, GCRTA's casualty insurance broker, in a total amount not to exceed \$2,411,114 for a period of twelve months.

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Questions

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