

Greater Cleveland Regional Transit Authority



Greater Cleveland Regional Transit Authority

CASUALTY INSURANCE PROGRAM RENEWAL

Effective September 1, 2021

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

August 10, 2021

Casualty Insurance Program

9-1-21 Renewal

GCRTA maintains a casualty insurance program for protection of assets against catastrophic loss

- Excess Liability (General, Rail, Auto) \$95M limit, \$5M Self-Insured Retention
- Excess Workers' Compensation - \$10M limit, \$750,000 SIR
- Public Officials Liability / EPL - \$5M limit, \$250k SIR/ \$500k SIR

Casualty Insurance Program 9-1-21 Renewal

How GCRTA Procures this Insurance

- Excess liability markets must be accessed via a broker; no direct writers of these coverages
- GCRTA conducts an RFP process to select and retain a casualty insurance broker
 - Broker is selected based on their expertise in the commercial insurance market, including the industry sector being rail, transit and transportation
 - Together GCRTA and broker approach insurance markets, submission describing GCRTA's operations and exposures, loss experience, safety culture to negotiate the best partnerships with markets and best program for GCRTA in terms of coverage and pricing

Casualty Insurance Program 9-1-21 Renewal

Public Officials / Employment Practices Liability Renewal

- Provides liability protection to Directors and Officers as well as GCRTA for alleged wrongful acts by Directors and Officers, or employees
- The policy also provides insurance coverage for employment practices claims.

Casualty Insurance Program 9-1-21 Renewal

Excess WC Policy renewal negotiations complete

- Expiring Premium \$272,165
- Existing carrier, Safety National seeking a 7.3% rate increase
- Payroll increased slightly; renewal premium quoted is \$292,601
- Better than expected result given most recent guidance of 7.5% - 15% expected increase
- Conducted a full marketing effort, and no one could match retention or premium.

Casualty Insurance Program 9-1-21 Renewal

Public Officials / EPL Liability renewal negotiations complete

- Incumbent carrier: AIG (National Union)
- Expiring Premium is \$94,590
- Renewal Premium is \$96,000, a 1.5% increase
- Most other public entity accounts experienced over 30% in increases per broker. Competitive quote from Chubb made a significant difference.

Casualty Insurance Program 9-1-21 Renewal

- Will provide final renewal results for the Casualty Insurance Program in a memo to the GCRTA Board of Trustees accompanied by a resolution containing final recommendations to be brought to the Board at the upcoming August 24, 2021 meeting.

Casualty Insurance Program 9-1-21 Renewal

Questions?