

Greater Cleveland Regional Transit Authority



# January 1, 2022 Property Insurance Renewal

December 7, 2021

Audit, Safety Compliance and Real Estate  
Committee



## 2022 Property Insurance Renewal

- GCRTA Carries an All-Risk Property Insurance Policy; covered perils include Fire, Wind, Flood and collapse, to name a few.
  - Replacement Cost Coverage
  - Protects Real and Personal Property for which GCRTA is responsible
  - Bus Garages, Rail Complex, Rail Stations, Rail and Bus fleet (non-collision only)

# 2022 Property Insurance Renewal

Incumbent Carriers are Liberty Mutual and Evanston; Two Programs; Total Insured Value \$1.85 billion

- The first program is written by Liberty Mutual and is for the coverage of all GCRTA real and personal property including rolling stock when garaged.
  - Blanket Limit: \$500 million , Deductible \$250,000
- The second program is a stand-alone Rolling Stock policy written by Evanston Insurance Company and specifically provides coverage for GCRTA Rolling Stock when rolling (both rail and bus).
  - Blanket Limit: \$25,000,000, Deductible \$500,000

# 2022 Property Insurance Renewal

- In 2020 we were facing extreme market conditions
  - Given the combination of no incumbent carrier, the very difficult property insurance market, and some recent loss experience in our record
  - Result of last year's renewal was a 31% increase which was 12% under budget
  - This year, told to budget 15 to 20%

## 2022 Property Insurance Renewal

- Expiring premium for 1-1-21/22 policy period \$1,102,542.
- Since we conducted a full scale marketing effort in 2020 our brokers are conducting only a very limited marketing exercise this year and negotiating with incumbent markets.

# 2022 Property Insurance Renewal

As of 12-5-21, we have received renewal pricing via our broker, Aon, from Liberty Mutual and Evanston as follows:

- Liberty quoted a 7% rate increase, Markel quoted a 2.5% rate increase
- After applying these rates against updated total insured values (TIV), the resulting premium is \$1,182,664.
- New premium represents an increase of approximately \$80,000 or a 7% increase over expiring.
- This is approximately 7% below the budgeted amount of \$1,268,000.

# 2022 Property Insurance Renewal

Final results will be summarized in a Resolution containing our recommendations to be brought to the Board at December 21, 2021 meeting for approval.