



# Casualty Insurance Program Renewal

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

August 9, 2022



# Casualty Insurance Program

## 9-1-22 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
- Excess Workers' Compensation - \$10 m limit, \$750,000 SIR
- Public Officials Liability / EPL - \$5 m limit, \$250k SIR/ \$500k SIR

# Casualty Insurance Program

## 9-1-22 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.
- The Board of Trustees, by Resolution No. 2018-28, authorized Contract No. 2017-166 with USI Insurance Services National, Inc. to provide Casualty Insurance Broker Services for a period of three years, with two, one-year options for renewal.

# Casualty Insurance Program

## 9-1-22 Renewal

How GCRTA procures this insurance, continued:

- Broker is selected based on their expertise in the commercial insurance market, including experience in the industry sector of rail, transit and transportation.
- Together GCRTA and the broker approach insurance markets to provide submissions 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.

# Casualty Insurance Program

## 9-1-22 Renewal

Public Officials / Employment Practices Liability renewal:

- Provides liability protection to directors and officers as well as GCRTA for alleged wrongful acts by D&Os, including Board of Trustees and employees.
- The policy also provides insurance coverage for employment practices claims.

# Casualty Insurance Program

## 9-1-22 Renewal

Excess Liability – largest program, results as of 8-5-22\*

- Expiring premium \$1,700,383
    - Renewal premium \$1,751,394, a 3% increase
    - Budgeted for a 10% increase
    - Great result given hard market; still priced below peers.
    - Quota share program-domestic, London and Bermuda markets
- \*Pending formal written quotes from one participant

# Casualty Insurance Program

## 9-1-22 Renewal

Excess WC policy renewal negotiations complete

- Due to marketing effort, generated competition among markets and achieved 7.6% rate reduction.
- Existing carrier, Safety National, offering a flat premium despite payroll increase of 7.6% (from projected 2021 to projected 2022) with a renewal premium quoted at \$292,843 vs \$292,602.
- Better than expected result given most recent guidance to expect a rate increase between 5% - 7.5%.

# Casualty Insurance Program

## 9-1-22 Renewal

Public Officials / EPL Liability renewal negotiation complete

- Incumbent carrier: AIG (National Union)
- Expiring premium is \$96,000
- Renewal premium is \$99,900, a 4% increase
- Budgeted for 25% increase in accordance with broker's experience with other public entity accounts.



# Casualty Insurance Program

## 9-1-22 Renewal

- Renewal results presented here for Excess WC and Public Officials' Liability will be summarized in a memo to Board of Trustees (BOT), accompanied by a Resolution containing those recommendations.
- Final premiums / results and recommendations for the Excess Liability program will also be included.
- The Resolution will be brought before the BOT for approval at their August 23, 2022 meeting.

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QUESTIONS?