CASUALTY INSURANCE PROGRAM RENEWAL
Effective September 1, 2026

Presented to: Audit, Safety Compliance,

and Real Estate Committee

August 4, 2026

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: Statutory limit, $750,000 SIR
- Public Official's Liability / Employment Practices Liability:
    - $5 million limit, $250k SIR/ $500k SIR
- No increase in retentions or reduction in coverage terms for 2026

Casualty Insurance Program Renewal

Proposals from Excess Liability Carriers

- GCRTA utilizes its casualty insurance broker, USI Insurance Services LLC, to access the excess liability markets.
- 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.

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.

GCRTA: 2026 Excess Liability Renewal Market Outlook

- 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.
    - *Maximum Limit for any one market for GCRTA is $10M*
- Rail/bus markets are particularly focused on reviewing aggregation.

GCRTA: 2026 Excess Liability Renewal Market Outlook

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

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

Casualty Insurance Program Renewal

- **Excess Liability – Largest Program**
- Expiring Premium: $2,029,733
- Renewal premium: $2,037,120, a .36% increase
    - Very favorable result.
    - Market experiencing some difficult losses.
    - GCRTA budgeted for a 7.5% increase.
    - Quota share program - domestic, London and Bermuda markets.

Casualty Insurance Program Renewal

- **Excess Workers' Compensation Policy renewal**
  - Due to marketing efforts, carriers offered competing options resulting in a significant premium decrease and improvements in coverage.
  - Renewal premium quoted is $234,453 vs $287,441, an 18.43% decrease.
  - The insurance carrier is offering a $10,000 Risk Control Budget that RTA can use for any approved Risk Control expenses.
  - Insurer is offering a 2-year rate lock, so the carrier applies the same rate to next years' payroll
  - The limit for Excess Workers' Compensation increased from $10M to Statutory Limits.
  - Significantly better than expected result given budgeted amount of $300,067 (increase of 5%).

Casualty Insurance Program Renewal

- **Public Officials / Employment Practices Liability renewal**
  - Incumbent carrier: AIG (National Union)
  - Expiring Premium is $93,940
  - Renewal Premium is $94,230, a .31% increase
  - Budgeted for 2.5% 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 to the Board as a courtesy.

Casualty Insurance Program Renewal

Summary:

- The combined result for all three insurance policies is a renewal premium of $2,365,804 vs. expiring premiums of $2,411,114, a decrease of 1.88% or $45,311.
- This total renewal premium is $180,552 under the budgeted amount of $2,546,356.
- This program is funded by GCRTA’s Operating Budget

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 $2,365,804 for a period of twelve months.

Questions