



Greater Cleveland Regional Transit Authority

CASUALTY INSURANCE PROGRAM RENEWAL

September 1, 2023

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

August 15, 2023

Casualty Insurance Program

9-1-23 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 m limit, \$750,000 SIR
- Public Officials Liability / EPL - \$5 m limit, \$250k SIR/ \$500k SIR

Casualty Insurance Program

9-1-23 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 with a 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

9-1-23 Renewal

Public Officials / Employment Practices Liability (EPL) Renewal

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

Casualty Insurance Program

9-1-23 Renewal

- **Excess Liability – Largest Program**
- Expiring Premium \$1,750,768
 - Renewal premium \$1,785,783, a 2% increase
 - Very favorable result. Market has stabilized some but expected increase up to 7.5% based on strategy meeting in July. Still priced below peers. Budgeted for a 10% increase.
 - Quota share program -domestic, London and Bermuda markets

Casualty Insurance Program

9-1-23 Renewal

Excess WC Policy renewal

- Due to marketing effort, generated competition among markets and achieved a 12.5% rate reduction.
- Existing carrier, Safety National offering a lower premium despite payroll increase of 7.5% (from projected 2022 to projected 2023) so renewal premium quoted is \$275,355 vs \$292,842, a \$17,487 savings.
- Better than expected result given most recent guidance of between 5% - 7.5% rate increase.

Casualty Insurance Program

9-1-23 Renewal

Public Officials / EPL renewal

- Incumbent carrier: AIG (National Union)
- Expiring Premium is \$99,900
- Renewal Premium is \$100,900, a 1% increase
- Budgeted for 5% increase in accordance with broker's experience with other public entity accounts.

Casualty Insurance Program

9-1-23 Renewal

- The combined result for all three insurance policies is a renewal premium of \$2,162,308 vs. expiring premiums of \$2,143,510, an increase of less than 1% and \$199,343 or 8.4% under the budgeted amount of \$2,361,651.
- Final results and recommendations as summarized in this presentation will be outlined in a resolution to be brought to the Board at the August 29, 2023 meeting.