



# January 1, 2025 Property Insurance Renewal

Audit, Safety Compliance and Real Estate Committee

December 3, 2024

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# 2025 Property Insurance Renewal – Other Types of Insurance

## **GCRTA maintains a Casualty Insurance Program for protection of assets against catastrophic loss**

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

## **The GCRTA requires protection from employee dishonesty, inside and outside premises theft/burglary, computer fraud and other Blanket Crime coverages**

- Crime - \$5 million limit, \$250,000 SIR

## 2025 Property Insurance Renewal – Other Types of Insurance

**GCRTA maintains a Cyber Liability Insurance program that protects the organization from losses due to Notification expenses, Business Interruption expenses, Cyber extortion or ransom and regulatory fines and penalties to name a few coverage clauses that address first and third-party losses from a cyber-attack.**

- Cyber - \$5 million limit, \$50,000 deductible

# 2025 Property Insurance Renewal

- GCRTA Carries an All-Risk Property Insurance Policy
- Covered perils include fire, wind, flood and collapse, among others
  - 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)

# 2025 Property Insurance Renewal

Incumbent Carriers: Liberty Mutual and Evanston (2 programs)

Total Insured Value \$1.95 billion

- 1<sup>st</sup> program: written by Liberty Mutual for the coverage of all GCRTA real and personal property, including rolling stock when garaged.
  - Blanket Limit: \$500 million , Deductible \$250,000
- 2<sup>nd</sup> program (Rolling Stock policy): written by Evanston Insurance Company for the coverage of GCRTA Rolling Stock when rolling (both rail and bus)
  - Blanket Limit: \$25 million
  - Deductible \$500,000

# 2025 Property Insurance Renewal

- Property market conditions continued to be difficult throughout 2023 with catastrophic losses challenging the industry's efforts in returning to profitability. While rate increases remained the norm, the level of increases began to decelerate through Q1 2024.
- This shifting market resulted in a final premium increase of 10.3% at the January 1, 2024 renewal.
- 2024 Expiring Premium: \$1,469,243.

# 2025 Property Insurance Renewal

- GCRTA's industry segment saw an average increase of 1.58% in 2024/Q3.
- Insurer profitability is expected to continue through 2024 despite significant catastrophic losses occurring from Hurricane Helene and Milton.
- Our partnership with Liberty Mutual and Evanston has provided a consistent foundation over the last 4 years as our insurance carriers.

# 2025 Property Insurance Renewal

GCRTA		Quote Comparison				
11/27/2024	2024 Liberty	2025 Liberty	Variance	2024 Market	2025 Market	Variance
	Expiring	(Final)		(Rolling Stock Only) - Expiring	(Rolling Stock Only) (Final)	
<b>Values / Premium / Rate</b>						
Total Insurable Value (TIV)	\$ 1,895,606,984	\$ 1,945,604,994	2.64%	\$ 514,913,552	\$ 534,848,636	3.87%
Base Premium excluding TRIA and Other	\$ 940,673	\$ 963,682	2.45%	\$ 460,907	\$ 478,916	3.91%
Rate excluding TRIA and Other	\$ 0.050	\$ 0.050	0.00%	\$ 0.090	\$ 0.090	0.00%
TRIA	\$ 44,618	\$ 45,777	2.60%	\$ 23,045	\$ 23,946	3.91%
Total Premium Including TRIA	\$ 985,291	\$ 1,009,459	2.45%	\$ 483,952	\$ 502,862	3.91%
<b>Limits</b>						
Policy Limit per Occurrence	\$ 500,000,000	\$ 500,000,000		\$ 25,000,000	\$ 25,000,000	

Total Property Plus Rolling Stock	
Expiring - 2024	\$ 1,469,243
Quoted - 2025	\$ 1,512,321
Variance	2.93%

**Greater Cleveland Regional Transit Authority**

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# 2025 Property Insurance Renewal

GCRTA's Broker, Aon, received renewal quotes from Liberty Mutual and Evanston as follows:

- Flat rate increase in cost from 2024 premium.
- After applying the flat rate increase against updated total insured values (TIV), the resulting renewal premium is \$1,512,321.

# 2025 Property Insurance Renewal

- The \$1,512,321 premium represents an increase of approximately 3% over the 2024 premium.
- The premium includes a total insured valuation of \$1.945 billion (increased from \$1.895 billion in 2024).
- The new premium is \$67,679 below the budgeted amount of \$1.58 million.

# 2025 Property Insurance Renewal

Final renewal results will be summarized in a Resolution containing our recommendations to be brought to the Board for approval at the December 17, 2024 meeting.

# 2025 Property Insurance Renewal

Questions?

Greater Cleveland Regional Transit Authority

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