

January 1, 2020 Property Insurance Renewal

December 3, 2019

BOT Audit, Safety Compliance and
Real Estate Committee

Greater Cleveland Regional Transit Authority



2020 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)

2020 Property Insurance Renewal

- Current Carrier – FM Global
 - A.M. Best rating of A+XV
 - Blanket Limit: \$500 million, Deductible \$250,000
 - Total Insured Value \$1.7 billion
 - One of the premier property insurers in the world
Provided invaluable design review and loss control services to GCRTA for many years; utilized heavily by both the Safety and Engineering departments

2020 Property Insurance Renewal

- Due to hardening market and expected significant rate increases competing the account this renewal deemed a necessity
- Property Insurance Broker – Aon
 - Retained in October 2019 to market account for 2020 Property Insurance Renewal
 - First time utilizing a Property Insurance broker since 2011; Worked directly with FM Global from 2012 to 2019

2020 Property Insurance Renewal

- RM Dept / Aon composed underwriting submission; sent to various property insurance markets.
- Expiring Premium: \$634,000
- 2020 Requested Budget Amount \$894,300

2020 Property Insurance Renewal

- Renewal negotiations still underway
 - Proposals Due 12-2-19
 - Evaluation and recommendations to be completed by 12-11-19
- Final results in a memo to BOT accompanied by Resolution containing recommendations to be brought to the Board at December 17, 2019 meeting.