

Fiscal Year 2025 Insurance Program



Significance

- Insurance Market remains challenging.
- Property Premiums have tripled since 2020
- Liability Premium up 30% since 2020
- Premium Increases not exclusive to the JPB. They are Industry-Wide
- Property Insurable Values increased by \$1 Billion FY25 with the addition of EMU's and Electrification Infrastructure.
- 22% Premium Increase FY25

Fiscal Year 2025 Insurance Program Breakdown

Railroad Liability:

- Maintain a \$2 million Self-Insured Retention (SIR) and \$323 million in Railroad Liability coverage.

Property:

- \$500,000 deductible for real and personal property.
- \$750,000 deductible for Rolling Stock and Fiber Optic.
- Gallery Cars stored at SMART insured for Actual Cash Value (ACV)
- Continue to insure for Liability and Physical Damage while at SMART.

Environmental:

- Renew Environmental Insurance with a 2-year policy term



Looking Ahead

Liability Cap:

- The Department of Transportation (DOT) is expected to increase the current \$323 million liability cap in February of 2026.
- The JPB will budget for and create placeholder with insurers FY26 in anticipation of this mid-year increase.

New HQ:

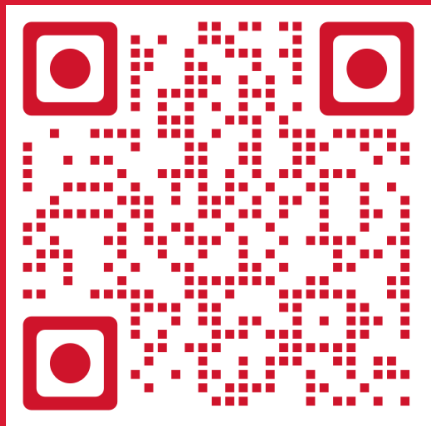
- Insurance options and premiums will be presented whether the JPB decides to lease or buy.

Staff Recommendation

Staff recommends ratifying the binding of commitments for the Peninsula Corridor Joint Powers Board's (JPB) insurance program for Fiscal Year (FY) 2025.

Key actions:

- Renewing key insurance policies for FY 2025
- Maintaining similar coverage levels to FY 2024 to ensure continued protection
- Satisfies Department of Transportation Railroad Liability Cap requirement.



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