



# Property Insurance Program

Finance, Budget, and Audit Committee

April 16, 2026

File ID #2025-1060



**Metro**

# Property Insurance Program Renewal

## **Recommendation:**

AUTHORIZE the Chief Executive Officer to negotiate and purchase All Risk Property and Boiler and Machinery insurance policies for all Metro properties at a not-to-exceed premium of \$10 million for the 12-month period of May 10, 2026, through May 10, 2027.

# Property Insurance Program Renewal

## Background:

- Metro established the Excess Commercial Property Insurance program to protect against insured losses. Each year, Risk Management collaborates with our insurance broker (MARSH USA) to prepare for the upcoming marketing process, secure the data required to approach underwriters, and obtain the most competitive coverage and premium available.
- MARSH USA provides a not-to-exceed number that serves two functions. First, it establishes an amount that Risk Management can use to approach the CEO and Board for approval to bind the new program, mitigating a potential gap in insurance coverage. Second, it allows the broker ample time to continue negotiating with underwriters to ensure Metro secures the most competitive pricing.

# Property Insurance Program Renewal

## Discussion:

- In January, February, and March 2026, MARSH USA contacted multiple domestic and international insurance providers to present Metro's property risks and supplemental data. MARSH USA provided an overview of the Metro transit system during discussions with the underwriters, including its extensive security infrastructure, fire protection, loss control, and minimal risk of flood exposures.
- The Metro property program continues to be well received by insurers due to its favorable loss history, newer construction, and State of Good Repair programs.
- Metro has historically enjoyed some of the lowest rates among transit systems and remains an attractive client. This year's renewal is challenging due to continued rate increases, but Metro's favorable insurability, loss record, and ability to take full advantage of the marketing efforts of our broker in a demanding market environment places Metro at an advantage over other transit agencies in the country.

# Property Insurance Program Renewal

## Proposed Coverage:

- MARSH USA marketed the property program to qualified insurance carriers to obtain property insurance pricing for the current total insured value of \$23.27 billion with a Probable Maximum Loss (PML) coverage limits at a minimum of \$650 million.
- Property insurance program quotations are currently being received from carriers with acceptable A.M. Best ratings. Final pricing is pending, and the quotes, including contingencies for unanticipated adjustments, serve to support the not-to-exceed cost before policy binding.



Thank you.



Metro®