

## UPDATE TO STAFF REPORT 25-238

### Stand-Alone Excess Terrorism Insurance Policy Option

The Board has previously approved the purchase of Terrorism Risk Insurance Act (TRIA), at a cost of approximately 1% of the Excess Liability Policy premiums. The surcharge for this coverage at the last renewal period was \$166,270 and for the 2025-2026 policy period would be \$137,565.

TRIA was enacted following the events of 9/11 and requires the Secretary of Treasury, Secretary of Homeland Security, and the U.S. Attorney General to declare a TRIA triggering event. For this renewal, Alliant Insurance has presented a standalone terrorism policy that affords broader coverage, does not require a formal governmental declaration as the coverage trigger, and provides for a significant reduction in premium. This policy provides coverage for third-party liability claims arising from a terrorist act occurring on District property and/or fixed-route buses.

If the Board were to authorize opting out of the TRIA coverage within the Excess Liability coverage and approve the binding of stand-alone terrorism policy, the total cost premium cost will not exceed \$46,431. This represents a **66% decrease** in premium cost over renewing the TRIA coverage or a net savings of approximately \$91,000. The coverage specifications are provided as an addendum to Attachment 1.

Below are the recommended insurance renewals for the 2025-2026 Transit Operations Insurance Program:

2025-2026 Transit Operations Insurance Program - Renewal Option 1				
Insurance Coverage Line	PY24-25 Expiring Premium	PY25-26 Renewal Premium	Dollar Change	% Change
Excess Liability Insurance	\$14,104,936	\$14,633,552	\$528,616	3.7%
Standalone Terrorism Liability*	n/a	\$46,431	n/a	n/a
Excess Workers' Compensation	\$474,502	\$502,715	\$28,213	5.9%
Commercial Crime	\$17,376	\$17,376	\$0	0.0%
Cyber-Liability	\$174,452	\$164,134	-\$10,318	-5.9%
Fiduciary Liability	\$32,590	\$32,590	\$0	0.0%
Business Travel Accident	\$5,415	\$5,415	\$0	0.0%
<b>Program Totals:</b>	<b>\$14,809,271</b>	<b>\$15,402,213</b>	<b>\$592,942</b>	<b>4.0%</b>

Staff is recommending that the Board authorize the General Manager to bind Option 1 of the Excess Liability renewal proposal, the stand-alone Terrorism Liability policy, and the remaining lines of coverage as described above.

#### **BUDGETARY/FISCAL IMPACT:**

Electing to approve the binding the proposed insurance coverages as recommended by staff will reduce the not-to-exceed value from \$15,722,230, as presented in Staff Report 25-238, to \$15,402,213.