

Approve and Ratify Fiscal Year 2026 Insurance Program

**JPB Finance Committee
August 4, 2025**



Proposed Motion

Staff recommends ratifying the binding of commitments for the Peninsula Corridor Joint Powers Board's (JPB) insurance program for Fiscal Year (FY) 2026.

Significant actions:

- Renews key insurance policies for FY 2026
- Maintains similar coverage levels to FY 2025 and ensures continued, uninterrupted protection
- Satisfies Department of Transportation's Railroad Liability Cap requirements.

Significance

- 7% overall increase in premiums from \$11.8million to \$12.5million
- FELA SIR increased from \$1million to \$2million
 - *Resulting in \$0.4 million in premium savings*
- \$2.4B Property Insurable Values

Fiscal Year 2026 Insurance Program Breakdown

Railroad Liability:

- Maintain a \$2 million Self-Insured Retention (SIR) and \$323 million in Railroad Liability coverage.
- \$100 million carried by TASI (\$200 million to \$300 million layer)

Property:

- \$400,000 loss limit real and personal property.
- \$500,000 deductible for real and personal property.
- \$750,000 deductible for Rolling Stock and Fiber Optic.
- Remove remaining fleet sold to Peru from insurable values

Fiscal Year 2026 Insurance Program Breakdown

Other Coverages:

- FELA
- Public Officials Liability (POL)
- Environmental Pollution
- Railroad Protective Liability (RRPL)
- Special Events
- All of these carry varying limits and deductibles

Looking Ahead

Liability Cap:

- Anticipate Department of Transportation (DOT) will increase the current \$323 million liability cap in February of 2026 to as high as \$400 million.

EMUs:

- At least one more EMU set anticipated FY26

Rail Operations Maintenance Support Contract

- Ensure appropriate levels of insurance and risk transference contained in new Rail Ops contract

Proposed Motion

Staff recommends ratifying the binding of commitments for the Peninsula Corridor Joint Powers Board's (JPB) insurance program for Fiscal Year (FY) 2026.

Significant actions:

- Renews key insurance policies for FY 2026
- Maintains similar coverage levels to FY 2025 and ensures continued, uninterrupted protection
- Satisfies Department of Transportation's Railroad Liability Cap requirements.

Questions

FOR MORE INFORMATION

WWW.CALTRAIN.COM

