Approve and Ratify Fiscal Year 2027 Insurance Program

JPB Board of Directors
August 6, 2026

Proposed Motion

Staff recommends ratifying the binding of commitments for the Peninsula Corridor Joint Powers Board's (JPB) insurance program for Fiscal Year (FY) 2027.

Significant actions:

- Renews key insurance policies for FY2027
- Maintains similar coverage levels to FY2026 and ensures continued, uninterrupted protection
- Satisfies Department of Transportation’s Railroad Liability Cap requirements.

Significance

- 3% overall increase in premiums from $12.5 million to $13 million
- Federal Employees Liability Act (FELA) self-insured retention (SIR) increased from $2 million to $3 million
  - *Resulting in $0.5 million in premium savings*
- $2.2B Property Insurable Values

Fiscal Year 2027 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.

Fiscal Year 2027 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) to increase the current $323 million liability cap to $402 million FY27.
    - Explore options:
        - Self-Insure upper level
        - Maintain current 323m level via re-negotiated contractual obligations
        - Purchase additional insurance up to new federal limit

Rail Operations Maintenance Support Contract

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

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Staff recommends ratifying the binding of commitments for the Peninsula Corridor Joint Powers Board's (JPB) insurance program for Fiscal Year (FY) 2027.

Significant actions:

- Renews key insurance policies for FY2027
- Maintains similar coverage levels to FY2026 and ensures continued, uninterrupted protection
- Satisfies current Department of Transportation’s Railroad Liability Cap requirements and JPB contractual obligations.

Questions

FOR MORE INFORMATION

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