Committee Report

Management Committee

Committee meeting date: September 9, 2026 **For the Metropolitan Council:** September 23, 2026

Business Item: 2026-161

Green Line Extension Rail Liability Insurance Renewal

Proposed action

That the Metropolitan Council authorizes to bind the rail liability insurance related to the Green Line Extension for the 2026-27 policy year effective October 1, 2026-October 1, 2027, in an amount not to exceed $4,300,000.

Summary of Management Committee discussion/questions

Council Member Osman asked whether the policy would be in effect during the opening of the Green Line Extension. Staff confirmed that the policy would be in effect.

Motion by Osman; seconded by Jenkins. **Motion carried.**

Business Item

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METROPOLITAN COUNCIL

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Green Line Extension Rail Liability Insurance Renewal

District(s), member(s): All

Policy/legal reference: Council Policy, RF 3-1, Risk Management

Staff prepared/presented: Ray Engler, Director Risk Management

Division/department: Regional Administration

Proposed action

That the Metropolitan Council authorizes to bind the rail liability insurance related to the Green Line Extension for the 2026-27 policy year effective October 1, 2026-October 1, 2027, in an amount not to exceed $4,300,000.

Background

The Green Line Extension includes approximately eight miles of shared rail corridor used by both light rail and freight operations. Under statutory and contractual obligations, the Metropolitan Council is required to maintain rail liability insurance at limits tied to the federal passenger rail liability cap. In August 2026, this cap increased from $323 million to $402 million. The upcoming renewal will be the first renewal of the program and must reflect this higher limit. The program renews annually, while the federal liability cap is reviewed every five years.

Because the required limit is substantial, the Council must build a tower of insurance consisting of multiple layers placed with several insurance carriers. Working in coordination with the Council's insurance broker, staff engaged with insurance underwriters to present the project scope and coverage requirements. After underwriters agree to the required coverage terms, the premium rates are negotiated with each participating insurer, and the final structure of layered coverage is assembled to achieve the full tower needed to meet the mandated liability limit.

Rationale

Through the partnership with our insurance broker, AON, the program was presented to the insurance markets, and the terms were negotiated to provide the most cost-effective rate and overall price. The recommended insurance provides for the required coverage as outlined by statute and through the agreements in place with the freight railroads.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, the Green Line Extension insurance renewal supports the Thrive principle of Stewardship by securing the required insurance in the most cost-effective manner.

Funding

The cost for the insurance is a Metro Green Line Extension Project eligible cost, up to revenue service, wherein the budgeted cost will shift to Metro Transit Rail operations.

Small business inclusion

There are no certified small businesses that provide the level of service required.