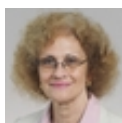


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MTA partially self-insured in deadly New York derailment

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The Metropolitan Transit Authority, whose Metro-North Railroad train derailed Sunday in New York and resulted in four deaths and dozens of injuries, is partially self-insured, a spokeswoman said Monday.

Some 100 to 150 people reportedly were on an early

morning train from Poughkeepsie, N.Y., when it rounded a bend in the Bronx near the Henry Hudson Bridge and derailed. Officials said in addition to the four killed, more than 60 were injured. The MTA has a captive insurer that was established in 1997, First Mutual Transportation Assurance Co., that provides coverage including general liability, property and terrorism, according to the captive's report on its 2013 annual board meeting. Concerning third-party claims for injury and property damage, the MTA spokeswoman said the agency maintains an all-agency excess liability policy insured by the captive for \$50 million per occurrence, which provides coverage in excess of the Metro-North Railroad's self-insured retention of \$10 million per occurrence. Additionally, the MTA maintains \$350 million in liability coverage through the commercial markets that is in excess of the \$50 million coverage layer provided by the captive, the MTA spokeswoman said in a statement.

Property coverage

The agency also maintains an all-agency property insurance program covering the Metro-North Railroad, with a \$25 million deductible per occurrence for damage to MTA equipment, according to the spokeswoman. The



AP PHOTO

Crane operators salvaged a car Monday in Sunday's deadly Metro-North train derailment in New York.

property program provides replacement cost coverage for direct physical loss or damage to all real and personal property, with minor exceptions, according to the captive's report. It also provides extra expense and business interruption coverage. The captive is "fully reinsured in the domestic, London, European and Bermuda marketplaces for (property) coverage," according to the captive's report. The captive is managed by Marsh Management Services Inc. in Melville, N.Y., according to a June 2012 letter from the New York State Department of Financial Services to Benjamin M. Lawsky, the department's chairman. A Marsh spokesman declined comment.
