

Business Item

Metropolitan Council



Committee Meeting Date: June 11, 2025

For the Metropolitan Council: June 25, 2025

Business Item: 2025-144

Metropolitan Council Builders Risk Property Insurance Program

District(s), Member(s):	All
Policy/Legal Reference:	Council Policy RF 3-1, Risk Management
Staff Prepared/Presented:	Phil Walljasper, Deputy Regional Administrator, 651-602-1787
Division/Department:	Regional Administration / Risk Management

Proposed Action

That the Metropolitan Council authorizes the insurance premium related the Council's Builders Risk Property Insurance Program, provided by Liberty Mutual, in an amount not to exceed \$782,000.

Background

A Builder's Risk insurance policy, which is generally provided by either the owner or contractor of a construction project, provides coverage for damage to property/materials during construction. Historically, the Council required the contractor to obtain this insurance. However, beginning in 2018, that requirement was removed in most contracts and a new program was implemented that had the Council obtaining the insurance. With this new program, construction projects are reported to the insurance carrier on a quarterly basis, with the premium billed annually. Authorization is needed for this year's premium due to the addition of two larger Council projects: Metro Transit's Blue Line State of Good Repairs and Environmental Services' Lift Station Improvements.

Rationale

Liberty Mutual provides the Builder's Risk insurance at a competitive rate, with the appropriate coverage and limits needed for most of the Council's construction projects.

Thrive Lens Analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. The program continues to provide the appropriate coverage at a competitive price. Additionally, this program removes potential barriers that may exist for some contractors if they were still required to obtain the insurance.

Funding

Funds for the premium are allocated out to the operating divisions and are a part of the respective projects budget.

Small Business Inclusion

The Office of Equity and Equal Opportunity evaluated this opportunity for participation and inclusion of certified small business and contacted MCUB firms. There were no certified small businesses that provide the level of service required for the Builders Risk Property Insurance Program.

