

Committee Report

Management Committee



Committee meeting date: August 27, 2025

For the Metropolitan Council: September 10, 2025

Business Item: 2025-219

Green Line Extension Rail Liability Insurance

Proposed action

That the Metropolitan Council authorizes binding rail liability insurance, related to the Green Line Extension, in an amount not to exceed \$4,600,000.

Summary of Management Committee discussion/questions

Phil Walljasper presented the item. New Director, Risk Management, Ray Engler was introduced.

Motion by Osman; Seconded by Jenkins. Motion Carried.



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Green Line Extension Rail Liability Insurance

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; Ray Engler, Director, Risk Management
Division/Department:	Regional Administration / Risk Management

Proposed Action

That the Metropolitan Council authorizes binding rail liability insurance, related to the Green Line Extension, in an amount not to exceed \$4,600,000.

Background

The Green Line Extension includes approximately 8 miles of rail corridor that is shared between light rail operations and freight (shared corridor). The Metropolitan Council has agreements with the freight railroads in this shared corridor that require rail liability insurance be effective once light rail vehicles are moving in the corridor. With light rail system testing beginning this Fall, light rail vehicles will be in the corridor and the insurance is required.

The limit of insurance, which is contractually and statutorily required, is tied to the federal passenger rail cap, which is currently \$323M. Given this amount of insurance, several different insurance companies will provide various “layers” of coverage to reach the full \$323M.

Working with the Council’s insurance broker, staff met with insurance underwriters to present the overall project and insurance coverage requirements. Once there is agreement on the coverage, the insurance rate (pricing) is negotiated with each company and the layers of insurance are developed to reach the full insurance “tower” needed.

This will be an annual insurance program, effective September, 2025 to September, 2026.

Rationale

The recommended insurance provides the required coverage outlined in the agreements with freight railroads, at the most cost-effective price.

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 this insurance is a METRO Green Line Extension Project (61001) eligible cost. Funds are available in the Project (No. 61001) budget and included in the Council's authorized capital budget.

Small Business Inclusion

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

