Finance, Affordability, Asset Management, and Efficiency Committee

Approve up to $2.65 Million to Purchase Insurance Coverage for Metropolitan's Property and Casualty Insurance Program for Fiscal Year 2026/27

Item 7-5

June 9, 2026

Presented by: Drew Boronkay

Item 7-5

Approve Insurance Coverage for MWD's Property & Casualty Insurance Program

Subject

Approve up to $2.65 Million to Purchase Insurance Coverage for Metropolitan's Property and Casualty Insurance Program for Fiscal Year 2026/27

Purpose

Review the Current Property and Casualty Insurance Program and obtain Board approval to renew and replace coverages

Self-Insured Retention

Metropolitan's Property and Casualty Insurance Program

General Liability	$25 million
Workers' Compensation	$ 5 million
Property Damage *	Self-Insured

* Excluding Stand Alone Property Insurance Coverage

Excess Insurance

Metropolitan's Property and Casualty Insurance Program

General Liability	$75 million
Public Official, Directors & Officers Liability	$65 million
Fiduciary & Employee Benefit Liability	$60 million
Workers' Compensation	Statutory

Specialty Insurance

Metropolitan’s Property and Casualty Insurance Program

Aircraft Liability	$25 million
Aircraft Hull	Assessed Value
Property Damage	Assessed Value
Crime	$5 million
Cyber Liability	$5 million
Special Risk *	$5 million
Travel Accident *	$250,000

* 3-year duration coverages last purchased FY 2025/2026

Metropolitan's Property and Casualty Insurance Program

2026/27 Outlook

7.3% Overall Cost Increase

Factors Driving Expected Cost Increase

- Persistent inflation and economic uncertainty
- Catastrophic climate change fueled storm and wildfire losses
- Geopolitical instability and military conflicts
- Surging government entity liability claim costs

Total Policy Renewal is estimated to increase from

$2.396 million to **$2.571 million**

Metropolitan's Property and Casualty Insurance Program

Excess Insurance Premiums

2025/26 Actual	2026/27 Estimated	2026/27 Estimated % Change
$2,396,403	$2.571 million	7.3%

Metropolitan's Property and Casualty Insurance Program

Premium Comparison by Fiscal Year

Actual 2021/22	Actual 2022/23	Actual 2023/24	Actual 2024/25	Actual 2025/26
$ 1,543,787	$ 1,715,308 *	$ 1,838,217	$ 2,179,753	$ 2,396,403 *

Estimated 2026/27	$2.571 million

* Includes renewal cost of 3-year duration policies for Travel Accident and Special Contingency policies

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

1928