

Office of Rail Transport

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Increasing insurance sums for rail operators in 2022

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Every rail carrier - both passenger and freight - must have financial liability insurance. This can be a third-party liability insurance contract or an insurance guarantee contract. The Office of Rail Transport examined the liability insurances of rail operators in 2022. Almost 63% of carriers insured for more than the required amount. It is an increase by 10 pp compared to 2021.

A survey carried out by the Office of Rail Transport showed that carriers mostly opt for policies with a higher value than the regulatory minimum. This demonstrates the carriers' responsible approach to providing adequate insurance cover for their operations.

The Office of Rail Transport included in its analysis 116 carriers active in 2022, carrying out transport operations on the basis of a rail operator's licence/authorisation. The majority of the surveyed railway undertakings carried out transport operations on open-access infrastructure. They are bound by a minimum amount of third-party liability insurance equivalent to EUR 2.5 million. More than half of them (68 out of 110) had a third-party liability policy for an amount higher than the required minimum in 2022. Higher sums insured tended to be chosen by passenger carriers - as many as 93% of carriers (14 out of 15). By contrast, among freight companies, 57% insured for a higher amount (54 out of 95 carriers).

The average amount of the guarantee sum of the third-party liability policy for carriers who use the rail infrastructure was PLN 42 million, of which for passenger carriers it was PLN 69 million on average and for freight carriers - PLN 37.5 million.

The Office of Rail Transport also examined the amount of the guarantee sum in the contracts concluded by the companies with the largest share of the transport performance. The average for passenger carriers was PLN 64 million, for freight carriers - PLN 156 million.

The Office of Rail Transport study also covered 3 carriers who are at the same time infrastructure managers (they carry transport operations on their own infrastructure). The average value of their third-party liability policies was PLN 21.7 million. All of them concluded contracts for amounts higher than required.

In 2022 the narrow gauge networks were used by 3 carriers included in the survey. The average sum assured of their third-party liability policies was PLN 486.3 thousand. One of the carriers opted for insurance equal to the regulatory minimum, the other two opted for higher amounts.

The minimum amount of the guarantee sum for third-party liability insurance results from the provisions of the law. It is the equivalent in PLN of:

- EUR 100 thousand for operators of narrow-gauge railways,
- EUR 250,000 for operators who use the infrastructure they manage,
- EUR 2.5 million for other operators.

This value is calculated on the basis of the average EUR exchange rate first announced by the National Bank of Poland in the year in which the insurance contract is concluded. In 2022 the minimum guarantee amounts in PLN are:

- PLN 458,890 for carriers on narrow-gauge railways,
- PLN 1,147,225 for carriers who use the infrastructure they manage,
- PLN 11,472,250 for carriers who use the public infrastructure.

Details of carriers' third party liability insurance can be found in our ["Study on the level of liability insurance of rail carriers in 2022"](#).