

AUTHORIZING THE PURCHASE OF EXCESS CASUALTY INSURANCE FROM VARIOUS INSURANCE UNDERWRITERS THROUGH ACORDIA WELLS FARGO, CASUALTY INSURANCE BROKER FOR GCRTA, FOR A PERIOD OF ONE YEAR FOR A TOTAL NOT TO EXCEED \$ 1,154,708.00 - GCRTA INSURANCE FUND (\$1,070,000.00) AND GENERAL FUND (\$84,708.00), RISK MANAGEMENT DEPARTMENT BUDGETS.

WHEREAS, the GCRTA requires catastrophic excess liability insurance protection; and

WHEREAS, proposals from various underwriters were received on February 14, 2003 and were evaluated in accordance with Procurement Policies and Procedures; and

WHEREAS, the submittal of a group of underwriters (Attachment A) through Acordia Wells Fargo located at 1301 East Ninth Street, Suite 3800, Cleveland, Ohio 44114 for excess casualty insurance for a period of one year for coverage up to the limit of \$75,000,000.00 at an amount not to exceed one million one hundred fifty four thousand seven hundred eight and 00/100 dollars (\$1,154,708.00) was determined to be the most advantageous to the Authority, price and all other factors considered; and

WHEREAS, The General Manager deems acceptance of the submittal of the underwriters through Acordia Wells Fargo for an excess casualty insurance program, as modified by negotiation, to be the most advantageous to the Authority and recommends acceptance thereof to the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the submittal of the underwriters group through Acordia Wells Fargo, as modified by negotiations, for an excess casualty insurance program as described in Attachment A hereto is hereby accepted as the most advantageous to the Authority, price and all other factors considered.

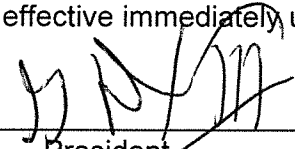
Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Acordia Wells Fargo for excess casualty insurance coverages with the carriers identified in Attachment A hereto and with such other carriers as the General Manager may deem appropriate up to the limit of \$75,000,000.00.

Section 3. That said contract shall be payable from the Authority's Insurance Fund, Risk Management Department Budget in an amount not to exceed one million seventy thousand and 00/100 dollars (\$1,070,000.00) and the General Fund, Risk Management Department Budget, in an amount not to exceed eighty four thousand seven hundred eight and 00/100 dollars (\$84,708.00), for a total amount not to exceed one million one hundred fifty four thousand seven hundred eight and 00/100 dollars (\$1,154,708.00) for a period of one year.

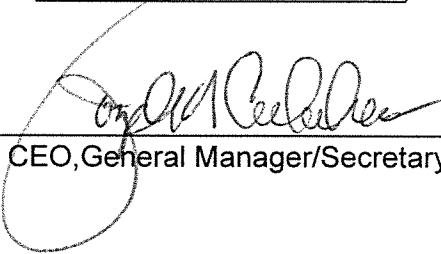
Section 4. That said contract shall be binding upon and an obligation of the Authority and contingent upon compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2002-120; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: February 18, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING THE PURCHASE OF EXCESS CASUALTY INSURANCE FROM VARIOUS INSURANCE UNDERWRITERS THROUGH ACORDIA WELLS FARGO, CASUALTY INSURANCE BROKER FOR GCRTA, FOR A PERIOD OF ONE YEAR FOR A TOTAL NOT TO EXCEED AMOUNT OF \$1,154,708.00 - GCRTA INSURANCE FUND (\$1,070,000.00) AND GENERAL FUND (\$84,708.00), RISK MANAGEMENT DEPARTMENT BUDGETS.	Resolution No.: 2003- 021
	Date: February 14, 2002
	Initiator: Risk Management
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will provide GCRTA with catastrophic liability insurance protection.
- 2.0 DESCRIPTION/JUSTIFICATION: In February of 2002, a decision was made to purchase the renewal of an excess casualty insurance program to protect the assets of the GCRTA against catastrophic loss. The current program expires on March 1, 2003. Proposals for a new program of insurance were requested. The program contains the following lines of coverage: General Liability (including Rail), Auto Liability, Limited Employment Practices Liability, Limited Pollution Liability and Excess Workers Compensation.
- 3.0 PROCUREMENT BACKGROUND: Acordia Wells Fargo and their partners, Prentis Donegan and Hicks Insurance Agency, as brokers, approached several commercial insurance markets seeking proposals for the insurance program. After evaluation in accordance with the Authority's established Procurement Policies and Procedures, the submittal of a group of underwriters for an excess casualty insurance program was determined to be most advantageous to the Authority. Coverage limits, self-insured retentions and a list of the underwriters are shown in Attachment A to the resolution.

Based on the evaluation of cost and price by Acordia Wells Fargo and its partners for the coverages identified, the Procurement Department has determined the negotiated price to be fair and reasonable.

- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Not applicable for this procurement.
- 5.0 POLICY IMPACT: Does not apply.

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STAFF SUMMARY AND COMMENTS

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- 6.0 ECONOMIC IMPACT: The Authority maintains an insurance fund at a minimum level to fund severe losses within the self-insured retention. The intent is to utilize the interest income on that five million dollar fund to offset (and cover, if feasible) the annual liability insurance premium. This program will be funded through the Authority's Insurance Fund and the General Fund, both Risk Management Department Budgets in an amount not to exceed one million one hundred fifty four thousand seven hundred eight and 00/100 dollars (\$1,154,708.00) for a period of one year.
- 7.0 ALTERNATIVES: Reject this offer. Not adopting this resolution will put the Authority at risk of not having catastrophic liability insurance protection.
- 8.0 RECOMMENDATION: It is recommended that the submittal of the underwriters through Acordia Wells Fargo, as negotiated, be accepted and a resolution passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: Attachment A.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer