Summary Statement

Item No. | Subject: Renewal of Marine Insurance for Cruise Terminal and Public Safety
Committee: Finance Committee
Committee Meeting Date: June 11, 2008
Board Action Date: July 16, 2008

Proposal: That the Board authorize the renewal of the DRPA Marine Insurance Program procured through our brokers at Willis of New York, Inc., for a one year term beginning August 1, 2008 through July 31, 2009.

The Marine Program, including Marine General Liabilities, Excess Marine Liability, Hull and Machinery, and Protection and Indemnity will expire August 1, 2008.

Willis of New York, Inc. is aggressively marketing the DRPA’s Marine insurance policies to several insurance companies in order to secure the most competitive pricing available to the DRPA, but at this time we have not received quotations for the coverage. Willis will review all quotations and we anticipate receiving their recommendations for selecting a carrier well in advance of the July 16, 2008 Board Meeting. As soon as staff obtains this information from Willis, the Commissioners will be sent a chart summarizing the quotations received from each carrier, the carriers’ financial rating, policy limits and deductibles, premium costs and any changes to the expiring policy.

Purpose: To procure required insurance in accordance with the Bylaws that will reduce the DRPA’s exposure to risk by insuring against liability and economic loss.

Background: The expiring combined premiums for these policies were $54,204. Federal Insurance Company is the incumbent carrier for the Marine Program.

Consistent with our understanding of the current insurance market, Willis has indicated that assuming all exposures remain the same, we should expect a reduction in the premium rate, thereby reducing the premium cost for this policy.
SUMMARY:

Amount: To be determined
Source of Funds: Revenue and General Funds
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8 - TBD (DRPA/Cruise)
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: August 1, 2008 – July 31, 2009
Other Parties Involved: Willis of New York
RESOLUTION

RESOLVED: That the Board of Commissioners approves and authorizes the placement of the Marine General Liabilities Insurance for the Cruise Terminal Operation with Federal Insurance Company, for a one year term beginning August 1, 2008 through July 31, 2009. The total premium for this policy is $25,500; and be it further

RESOLVED: That the Board of Commissioners approves and authorizes the placement of the Excess Marine Liability Insurance for the Cruise Terminal Operation with Federal Insurance Company, for a one year term beginning August 1, 2008 through July 31, 2009. The total premium for this policy is $8,670; and be it further

RESOLVED: That the Board of Commissioners approves and authorizes the placement of the Hull and Machinery/Protection and Indemnity Insurance for Public Safety’s Safe Boat with Federal Insurance Company, for a one year term beginning August 1, 2008 through July 31, 2009. The total premium for this policy is $11,730; and be it further

RESOLVED: That the Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY: Amount: $45,900
Source of Funds: Revenue and General Funds
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8 – $45,900 (DRPA/Cruise)
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: August 1, 2008 – July 31, 2009
Other Parties Involved: Willis of New York