SUMMARY STATEMENT

ITEM NO. | SUBJECT: Pennsylvania Workers Compensation System Surety Bond Requirement

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: April 15, 2009

PROPOSAL: That the Board authorizes staff to finalize and execute a General Agreement of Indemnity in order to obtain the Commercial Surety Bond required under the procedures of the Pennsylvania Workers Compensation System.

BACKGROUND: DRPA employees have the right to file Workers Compensation claims in either New Jersey or Pennsylvania. Although most claims are filed in New Jersey some claims are filed in Pennsylvania. DRPA’s insurance consultants and the Pennsylvania Department of Labor have suggested that DRPA participate in the Pennsylvania Workers Compensation system pursuant to its standard procedures. In order to complete the process DRPA needs to obtain a surety bond and this, in turn, requires that the DRPA Board approve a resolution authorizing the DRPA CEO to execute a General Agreement of Indemnity under which DRPA would agree to reimburse the Surety in the event that the Surety is required to pay under its surety bond.

SUMMARY: Amount: [INSERT]

Source of Funds: Operating Budget
Capital Project #: Not Applicable
Operating Budget: 2009
Master Plan Status: Not Applicable
Other Fund Sources: None
Duration of Contract: as long as the Surety Bond remains in place
Other Parties Involved: Liberty Mutual Insurance Company
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes and directs that the Chief Executive Officer be and hereby is authorized to execute a General Agreement of Indemnity with Liberty Mutual Insurance Company substantially in the form attached hereto.

SUMMARY: Amount: [INSERT]
Source of Funds: Operating Budget
Capital Project #: Not Applicable
Operating Budget: 2009
Master Plan Status: Not Applicable
Other Fund Sources: None
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Other Parties Involved: Liberty Mutual Insurance Co.