SUMMARY STATEMENT

ITEM NO.  SUBJECT:  Renewal of DRPA/PATCO Crime Policy

COMMITTEE:  New Business

COMMITTEE MEETING DATE:  N/A

BOARD ACTION DATE:  June 10, 2009

PROPOSAL:  That the Board authorize the renewal of the DRPA/PATCO Crime insurance policy placed by our brokers at Willis of New Jersey, Inc., for a one year term beginning August 1, 2009 through July 31, 2010.

The DRPA’s existing DRPA/PATCO Crime Insurance policy will expire August 1, 2009.

Willis of New Jersey, Inc. aggressively marketed this coverage for the 2008-2009 policy period to several insurance companies in order to secure the most competitive pricing available to the Authority. Our broker has recommended that we refrain from marketing the coverage on an annual basis. Last year’s marketing summary was previously provided to the Board. No carriers could match the terms and conditions offered by our current incumbent, Zurich American Insurance Company. This carrier has an AM Best Rating of A (Excellent).

PURPOSE:  To reduce the DRPA’s exposure to risk by insuring against employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, computer fraud/wire transfer, money order and counterfeit currency and credit card forgery.

BACKGROUND:  The expiring premium for this policy was $42,444 which provides a loss limit of $15 million each, subject to a $250,000 deductible (Employee Dishonesty, Forgery or Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, and Computer Fraud and Wire Transfer). We have a $1,000 deductible for Money Orders and Counterfeit Currency and Credit Card forgery. The premium for this same coverage for the policy period 2009-2010 will remain flat at $42,444.
**SUMMARY:**

- **Amount:** $42,444
- **Source of Funds:** Revenue and General Funds
- **Capital Project #:** N/A
- **Operating Budget:**
  - DRPA Risk Mgt. C/E #8 - TBD
  - PATCO Admin. C/E Insurance & Claims - TBD
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** August 1, 2009 - July 31, 2010
- **Other Parties Involved:** Willis of New Jersey
RESOLUTION

RESOLVED: That the Board of Commissioners approves and authorizes the placement of the DRPA and PATCO Crime Insurance Policy with Zurich American Insurance Company, for a one year term beginning August 1, 2009 through July 31, 2010. The loss limit of this renewal policy is $15 million, subject to a $250,000 deductible for Employee Dishonesty, Forgery or Alteration, Theft, Disappearance and Destruction, Robbery and Safe Burglary, and Computer Fraud and Wire Transfer, and a $1,000 deductible for Money Orders and Counterfeit Currency and Credit Card forgery. The premium for this policy is $42,444; 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: $42,444
Source of Funds: Revenue and General Funds
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8 – TBD
PATCO Admin. C/E Insurance & Claims - TBD
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: August 1, 2009 – July 31, 2010
Other Parties Involved: Willis of New Jersey