SUMMARY STATEMENT

ITEM NO.  SUBJECT:  Renewal of Excess Marine Liability Insurance

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: June 10, 2009

PROPOSAL: That the Board authorize the renewal of the DRPA Excess Marine Liability Insurance placed by our brokers at Willis of New Jersey, Inc., for a one year term beginning August 1, 2009 through July 31, 2010.

The Excess Marine Liability Insurance sits on top of the Marine Insurance Program which includes the following components: Marine General Liability and Protection & Indemnity. The policy will expire on August 1, 2009. The Excess Marine Liability Insurance limit is $4 million.

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, Federal Insurance Co. This carrier has an AM Best Rating of A ++(Superior).

PURPOSE: To reduce the DRPA’s exposure to risk by providing excess coverage for operations, work in progress, liability for the loss of life and contractual liability related to the Authority’s Ferry, Public Safety and Cruise Terminal operations.

BACKGROUND: The expiring premium for this policy was $8,670. The premium for the 2009-2010 policy period will be $9,180, which is a difference of $510 or a 5.88% increase.
SUMMARY:  
Amount: $9,180
Source of Funds: Revenue and General Funds
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8 - 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 Inc.
RESOLUTION

RESOLVED: That the Board of Commissioners approves and authorizes the placement of the Excess Marine Liability Insurance, which sits on top of the Marine Insurance Program, which has the following components: (1) Marine General Liability, and (2) Protection & Indemnity with Federal Insurance Co., for a one year term beginning August 1, 2009 through July 31, 2010. The total premium for this policy is $9,180; 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:

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