That the Board authorizes staff to bind the renewal of the Authority’s Commercial Umbrella Liability Policy. This policy is placed by our Broker/Consultant, Turner Surety & Insurance Brokerage (TSIB). TSIB does not represent National Fire & Marine on a direct basis. Therefore, DRPA issued a Broker of Record letter for TSIB to access National Fire & Marine via the wholesale broker, AmWins of Satellite Beach, FL.

Pursuant to DRPA-15-062, TSIB is paid a fixed annual service fee not-to-exceed $141,000 payable in quarterly installments. AmWins and National Fire & Marine Insurance Company processed the Broker of Record Letter NET of any income including commission, or any contingent, supplemental or other forms of additional compensation to TSIB. AmWins will receive a $7,000 commission payment from National Fire and Marine, as the wholesale broker placing this policy for TSIB on behalf of DRPA. AmWins will not pay any additional income to TSIB, including commission, or any contingent, supplemental or other forms of additional compensation for the placement of the Commercial Umbrella Liability renewal policy.

Therefore, the proposed policy premium is net of commission to TSIB. Pursuant to the terms of the Broker/Consultant Service Agreement, TSIB understands that no commissions shall be paid to TSIB on any insurance policies placed on DRPA’s behalf.

TSIB marketed the Authority’s Commercial Umbrella policy to several insurance companies to secure the most competitive premium.

TSIB marketed the coverage to the following carriers:

- Admiral - declined, risk type
- AWAC - indication was +$275,000
- Guilford - indication was +$200,000
- James River - declined, cannot compete
- Kinsdale - declined, fleet size
SUMMARY STATEMENT

Renewal of DRPA/PATCO
Commercial Umbrella Liability Policy

- Markel - declined due to bridge/rail exposures
- RLI - declined, fleet size
- RSUI - indication was over $300,000
- Scottsdale - declined, cannot compete
- Starr - declined, no appetite for this risk
- Torus - declined, size of risk

PURPOSE: This policy seeks to reduce the DRPA’s exposure to loss by providing Umbrella liability coverage over the following underlying policies: (1) General Liability; (2) Commercial Automobile Liability; and (3) Part 2 of Worker’s Compensation, Employers Liability (over both DRPA & PATCO policies).

BACKGROUND: The Umbrella policy with National Fire & Marine extends the limits of the three underlying liability policies (General Liability, Automobile Liability, and Employers’ Liability). The National Fire & Marine Umbrella Policy is designed to fill coverage gaps by providing primary coverage. The expiring premium for the policy term 12/31/2014 to 12/31/2015 is $140,000 (including TRIA). NJ PLIGA tax is not applicable.

TSIB has presented the following renewal option for our consideration:

- The proposed annual premium from National Fire & Marine Insurance Company, will be approximately $148,990 (including TRIA) for the 12/31/2015-12/31/2016 policy term. This is an increase of $8,990 or a 6.42% increase over the current premium. TSIB advises that the coverage terms and conditions are the same as expiring.

TSIB advises that the increase in premium from $140,000 to $148,990 ($8,990) is due to the following factors:

- Higher underlying policy premiums as a result of increased policy exposures such as acreage, square footage and payroll;

- AmWins, the wholesale broker, will receive a commission of $7,000 from National Fire & Marine Insurance Company for the placement of this policy.

The net effect of the increased exposures of the underlying policies coupled with the $7,000 commission payment to AmWins from National
Fire & Marine is a 6.42% increase in premium or an increase of $8,990 over the expiring policy.

The renewal quotation is subject to National Fire & Marine receiving and approving the following information, which TSIB will monitor for compliance, within 30 days of the effective date, except as otherwise stated:

- Review and approval of the policy forms from the three (3) underlying insurance policies prior to the effective date of 12/31/2015;
- Confirmation that underlying carriers have an A.M. Best rating of A-(VII) or better; and
- Copies of the underlying policies within 60 days of the effective date of 12/31/2015

TSIB recommends that staff accept the proposed renewal quote for the Commercial Umbrella Liability Policy for the policy term 12/31/2015 - 12/31/2016, at an estimated annual premium of $148,990 (including TRIA) with National Fire & Marine Insurance Company.

SUMMARY:

- Amount: Approximately $148,990 (Including TRIA)
- Source of Funds: Revenue and General Funds
- Capital Project #: N/A
- Operating Budget: DRPA Risk Mgt. C/E #8
- PATCO Admin. C/E Insurance & Claims
- Master Plan Status: N/A
- Other Fund Sources: N/A
- Duration of Contract: 12/31/2015-12/31/2016
- Other Parties Involved: Turner Surety & Insurance Brokerage, AmWins and National Fire & Marine Insurance Company
RESOLUTION

RESOLVED: That the Board authorizes staff to accept the proposed renewal quote from National Fire & Marine Insurance Company, for the Commercial Umbrella Insurance Policy for the policy term December 31, 2015 - December 31, 2016, at an estimated annual premium of $148,990 (including TRIA) which represents an increase of approximately 6.42% or $8,990 as a result of higher underlying exposures thereby increasing the underlying policy premiums and authorizes AmWins, the wholesale broker, will receive a commission of $7,000 from National Fire & Marine Insurance Company for the placement of this policy; and be it further

RESOLVED: That the board authorizes TSIB to access National Fire & Marine via the wholesale broker, AmWins of Satellite Beach, FL, and that the proposed renewal quote is NET of any income including commission, or any contingent, supplemental or other forms of additional compensation to TSIB. AmWins will receive $7,000 in commission from National Fire and Marine, but will not pay any additional income to TSIB, including commission, or any contingent, supplemental or other forms of additional compensation; 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, 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:** Approximately $148,990 (Including TRIA)
- **Source of Funds:** Revenue & General Funds
- **Capital Project#:** N/A
- **Operating Budget:** DRPA Risk Mgt. C/E #8
  PATCO Admin. C/E Insurance & Claims
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** December 31, 2015-December 31, 2016
- **Other Parties Involved:** Turner Surety & Insurance Brokerage,
  AmWins and National Fire & Marine Insurance Company