That the Board authorizes staff to bind the Authority’s New Law Enforcement/Police Professional Liability policy. This policy would be placed by our Broker/Consultant, Turner Surety & Insurance Brokerage (TSIB).

Pursuant to DRPA-18-054, TSIB is paid a fixed annual service fee of not-to-exceed $160,380 payable in quarterly installments of $40,095. Pursuant to the terms of the Broker/Consultant Service Agreement, TSIB understands that no commissions shall be paid on any insurance policies placed on DRPA’s behalf.

TSIB marketed the Authority’s Law Enforcement/Police Professional Liability application to several insurance companies to secure the most competitive premium. TSIB does not represent Greenwich Insurance Company (a member of the XL/Catlin Group) on a direct basis. Therefore, TSIB accessed Greenwich Insurance Company via the wholesale broker, AmWINS of Edison, New Jersey. AmWINS will receive a commission from Greenwich Insurance Company, but will not pay TSIB any commission, or any contingent, supplemental or other forms of additional compensation. Therefore, the proposed policy premium is net of commission.

TSIB marketed the Authority’s Law Enforcement/Police Professional Liability application to the following carriers to secure the most competitive premium:

- Greenwich Insurance Company – quoted, $138,423
- AIG – non-responsive, no quote provided
- Argo (Colony) – declined, no stand-alone policies
- CNA – declined, class of business
- CV Starr – declined, class of business
- Houston Casualty – declined, no stand-alone policies
- One Beacon – declined, no stand-alone policies
- Safety National – declined, must write supporting General Liability and Automobile Liability policies in order to write Police Professional Liability
- Travelers – declined, class of business
- WR Berkeley – declined, no stand-alone policies
SUMMARY STATEMENT
Finance 10/3/2018

PURPOSE: To reduce the Authority’s financial exposure to loss by insuring against third-party Personal Injury, Bodily Injury and Property damage claims that may result or arise out of and is committed during the course and scope of law enforcement activities, actual or alleged act, error, or omission, neglect or breach of duty.

BACKGROUND: Currently, the Authority self-insures any claims or incidents resulting from the Public Safety department. At staff’s request, TSIB was asked to review our insurance program and prepare a gap analysis letter with recommendations for any new insurance coverage or enhancements we should consider. In one recommendation, TSIB suggested that the Authority consider the manner in which it handles the complaints filed against the DRPA Public Safety Department for operational exposures. As a result of one recommendation, staff directed TSIB to secure quotes for Law Enforcement/Police Professional Liability Insurance.

The current Commercial General Liability policy premium is rated upon square footage for One Port Center, and other lots and blocks, such as the ballfields in Philadelphia, and vacant lots along Admiral Wilson Blvd. in Camden. The current Commercial Umbrella and the Claims-made Excess Liability policies do not provide coverage for law enforcement activities or operations allegedly caused by a wrongful act while conducting those activities or operations.

Law Enforcement/Police Professional Liability insurance provides coverage for Bodily Injury, Personal Injury or Property Damage claims that may result from law enforcement activities or operations and is caused by a wrongful act while conducting those activities or operations. The occurrence form policy includes a $2 million limit for any one occurrence and is subject to a $2 million annual aggregate. The self-
insured retention is $100,000 with loss and/or defense costs eroding the retention limit. Defense costs are outside of the limit of liability.

Coverage includes but is not limited to:

- Violation of civil rights;
- Unlawful arrest;
- Assault or battery;
- Line of duty death coverage (family expenses and crisis management expenses payable to the insured)

The Greenwich Insurance policy will include a choice of counsel endorsement, which will schedule the panel of Pennsylvania and New Jersey attorneys selected by the Legal department from the list of qualified law firms pursuant to DRPA-17-086, to provide defense for any claims filed against DRPA/PATCO.

Greenwich Insurance Company approved two (2) panel firms from Pennsylvania and two (2) panel firms from New Jersey. The policy will be endorsed to schedule the following chosen panel:

Bennett Bricklin Saltzburg
Contact- Kevin M. Blake
1601 Market Street, 16th Fl.
Philadelphia, PA 19103

Elliott Greenleaf
Contact- John P. Elliott
925 Harvest Drive, Suite 300
Blue Bell, PA 19422

Brown & Connery
Contact- William M. Tambussi
P.O. box 539
Westmont, NJ 08108

Parker McCay
Contact- Philip A. Norcross
9000 Mid-Atlantic Dr. Suite 300
Mt. Laurel, NJ 08054
When needed, Greenwich will consider the approval of additional panels as recommended from Legal.

Please note that the quote is subject to the following:

- $395 annual engineering fee
- Signed and dated application;
- Updated claims information

TSIB recommends that staff accept the proposed 12-month Law Enforcement/Police Professional Liability insurance quotation from Greenwich Insurance Company, for the policy term 12/31/2018-12/31/2019 at the estimated premium of $138,423 (including the $395 fee and the NJ PLIGA tax); placed by TSIB using AmWINS of Edison, NJ as the wholesaler. AmWINS will receive a commission from Greenwich Insurance Company, but will not pay TSIB any commission, or any contingent, supplemental or other forms of additional compensation. Therefore, the proposed policy premium is net of commission. Staff concurs with this recommendation.

SUMMARY:

Amount: Total: $138,423. Annual estimated premium (including a $395 fee and the NJ PLIGA tax); net of commission
Source of Funds: Revenue Fund and General Fund (PATCO portion)
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, 2018 to December 31, 2019
Other Parties Involved: Turner Surety & Insurance Brokerage, Inc. (TSIB), Greenwich Insurance Company and AmWINS of NJ
RESOLUTION

RESOLVED: That the Board authorizes staff to accept the proposed 12-month Law Enforcement/Police Professional Liability quote from Greenwich Insurance Company (a member of the XL/Catlin Group), for the policy term of December 31, 2018 – December 31, 2019, at an estimated premium of $138,423, (including a $395 fee and the NJ PLIGA tax); net of commission; and be it further

RESOLVED: That the Board authorizes TSIB as the Authority’s Broker/Consultant for the Traditional Property & Casualty Program, to place the 12-month Law Enforcement/Police Professional Liability policy with Greenwich Insurance Company; and be it further

RESOLVED: That the Board of Commissioners authorizes AmWINS of New Jersey, 105 Fieldcrest Avenue, Edison NJ 08837, as the Wholesale Broker for the placement of this policy. AmWINS will receive commission from Greenwich Insurance Company, but will not pay TSIB any additional income, including commission, or any contingent, supplemental or other forms of additional compensation; and be it further

RESOLVED: The Chair, Vice Chair 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 Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair 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 Chair and Vice Chair 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.
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