

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Purchase of Insurance Policies Pursuant to Request for Proposals for the Commission's Comprehensive Property and Casualty Insurance Program

WHEREAS, the Commission is required to maintain comprehensive property and casualty insurance coverage in accordance with Article 5, Sections 5.05, 5.06 and 5.07 of the Master Trust Agreement dated April 8, 2013, as well as the Junior Lien Master Trust Agreement dated August 1, 2013 (collectively, the "Trust Agreements"); and

WHEREAS, the Commission issued a Notice of Request for Letters of Interest for Insurance Broker Market Assignments on May 8, 2014, whereby interested insurance agent/brokerage firms could request that the Commission assign certain markets (insurance companies) to them to obtain proposals for coverage under the Commission's Comprehensive Property and Casualty Insurance Program; and

WHEREAS, the Commission received requests for market assignments from eight insurance agent/brokerage firms on or before May 22, 2014, and markets were assigned to all of the agents/brokerage firms that requested assignments during a pre-bid conference held on June 2, 2014, with the Request for Proposals ("RFP") for the Commission's Comprehensive Property and Casualty Insurance Program being issued to the eight agent/brokers that same day; and

WHEREAS, responses to the RFP were submitted on or before July 1, 2014, by six agent/brokerage firms on behalf of the various insurance companies, and such responses have been reviewed and analyzed by Crain, Langner & Co., of Richfield, Ohio, (the Commission's Independent Insurance Consultant), the Commission's General Counsel and the Risk Management Coordinator; and

WHEREAS, Crain Langner & Co., the General Counsel and the Risk Management Coordinator recommend that the best interests of the Commission would be served by the acceptance of the proposals submitted by the following agent/brokerage firms on behalf of insurance carriers for policies commencing on September 1, 2014, pursuant to the following premium quotes:

1. Public Entity General and Automobile Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company, for an annual premium of \$246,039, representing a cost increase of 2%;
2. Public Officials/Errors and Omissions Insurance proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company, for an annual premium of \$19,408, representing a cost increase of 5%;
3. Umbrella/Excess Liability Insurance Coverage, including terrorism coverage, proposed by Arthur Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company (first excess layer), for an annual premium of \$73,072; and by Wells Fargo Insurance Services USA, Inc., on behalf of The North River Insurance Company (second excess layer) and Great American Insurance Company (third excess layer), for a combined annual premium of \$105,989, with the total premiums for all Umbrella/Excess Liability coverage representing an overall cost decrease of 1%;
4. Bridges and Use & Occupancy Insurance, including terrorism coverage, proposed by The Hoffman Group, on behalf of Travelers Property Casualty Company of America, for an annual premium of \$170,021, representing a cost increase of 9%;
5. Multi-Peril/Property Insurance, including terrorism coverage, proposed by The Hylant Group (partnering with Pinkney-Perry Insurance Agency), on behalf of Affiliated F.M. Insurance Company, for an annual premium of \$234,530, representing a cost reduction of 10%;

6. Broad Form Money and Securities/Crime Insurance proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Casualty and Surety Company of America, for an annual premium of \$34,639, representing a flat renewal;
7. Pollution Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Ironshore Specialty Insurance Company, continuing under a two-year premium of \$27,405, representing a flat renewal; and
8. Cyber Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Axis Insurance Company, for an annual premium of \$43,619, representing a cost increase of 6%.

WHEREAS, the Commission has been advised by the General Counsel that the RFP process was conducted in a manner that was fair and equitable to all participating insurance agents/brokerage firms and insurance carriers and that the Commission may lawfully purchase the respective insurance policies.

NOW, THEREFORE, BE IT

RESOLVED, that the Commission, in accordance with the Trust Agreements, which require it to maintain comprehensive property and casualty insurance coverage, has duly considered the recommendations of its Independent Insurance Consultant, General Counsel and Risk Management Coordinator; and

FURTHER RESOLVED that the Commission hereby authorizes the Interim Executive Director and General Counsel to purchase the above-specified insurance policies through:

- 1) Arthur J. Gallagher Risk Management Services, Inc., for Public Entity General and Automobile Liability Insurance, Public Officials/Errors and Omissions Insurance, first layer of Umbrella/Excess Liability Insurance, Broad Form Money and Securities/Crime Insurance, Pollution Liability Insurance, and Cyber Liability Insurance;
- 2) The Hylant Group (partnering with Pinkney-Perry Insurance Agency), for Multi-Peril Property Insurance;
- 3) The Hoffman Group for Bridge and Use & Occupancy Insurance; and
- 4) Wells Fargo Insurance Services USA, Inc., for second and third layers of Umbrella/Excess Liability Insurance,

all in accordance with the terms and conditions set forth in the RFP, the responding insurance agent brokers' proposals, and at the premiums quoted therein.

(Resolution No. 55-2014 adopted August 18, 2014)