

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Purchase of Insurance Policies for the Commission's Comprehensive Insurance Program

WHEREAS, the Ohio Turnpike and Infrastructure Commission ("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 April 27, 2020, 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 seven insurance agent/brokerage firms on or before May 18, 2020, and markets were assigned to all of the agents/brokerage firms that requested assignments and the Request for Proposals ("RFP") for the Commission's Comprehensive Property and Casualty Insurance Program was issued to eight agent/brokers on May 26, 2020; and

WHEREAS, responses to the RFP were submitted on or before July 29, 2020, by five 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) and the Commission's General Counsel; and

WHEREAS, Crain Langner & Co. and the General Counsel 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, 2020, pursuant to the following premium quotes:

1. Public Entity General and Automobile Liability Insurance, including terrorism, Public Officials/Employment Practices coverage, proposed by Jackson, Dieken & Associates, on behalf of U.S. Specialty Insurance Company, for an annual total premium of \$176,962;
2. Umbrella/Excess Liability Insurance Coverage, including terrorism coverage, proposed by several brokers including but not limited to (a) Jackson, Dieken & Associates, on behalf of U.S. Specialty Insurance Company (first excess layer), for an annual premium of \$37,464; (b) Britton Gallagher, on behalf of Lexington (second excess layer) and Cincinnati (fifth excess layer) for a combined annual premium of \$277,150; and (c) Arthur J. Gallagher Risk Management Services, Inc., on behalf of The North River Insurance Company (third excess layer) and Great American Insurance Company (fourth excess layer) for a combined annual premium of \$91,748; and
3. Bridges and Use & Occupancy Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Continental Casualty Insurance Company, for an annual premium of \$160,948;
4. Multi-Peril/Property Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Travelers Indemnity Company, for an annual premium of \$247,116;
5. 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 \$42,697;

6. Pollution Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of Ironshore Insurance Company, for an annual premium of \$13,027; and
7. Cyber Liability Insurance, including terrorism coverage, proposed by Arthur J. Gallagher Risk Management Services, Inc., on behalf of North River Insurance Company, for an annual premium of \$24,463.

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; and

WHEREAS, Commission action is requested to approve the contract in accordance with Article V, Section 1.00 of the Commission's Bylaws because the aggregate amount of the insurance premiums will require an expenditure that exceeds \$150,000.00 to purchase the 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 and the General Counsel; and

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the General Counsel, each alone or together, to purchase the above-specified insurance policies for the approximate aggregate premium amount of \$695,213 including broker fees from the following brokers:

- A. Jackson, Dieken & Associates, for (1) Public Entity General and Automobile Liability Insurance, (2) Public Officials/Employment Practices Insurance, and (3) Employee Benefits Insurance; and
- B. Arthur J. Gallagher Risk Management Services, Inc., for (1) Bridge and Use & Occupancy Insurance, (2) Multi-Peril Property Insurance, (3) Broad Form Money and Securities/Crime Insurance, (4) Pollution Liability Insurance, and (5) Cyber Liability Insurance;

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

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the General Counsel, each alone or together, to purchase excess liability insurance policies to provide coverage for about \$65 million excess liability coverage for a maximum aggregate premium amount of \$600,000 from the following brokers: (a) Jackson, Dieken & Associates, (b) Britton Gallagher, and/or (c) Arthur J. Gallagher Risk Management Services, Inc., or such other brokers as have provided binding quotes for the combined layers of Umbrella/Excess Liability Insurance; all in accordance with the terms and conditions set forth in the RFP and the responding insurance agent brokers' proposals, and at the premiums quoted therein.

FURTHER RESOLVED that the Commission hereby authorizes the Executive Director or the General Counsel, together or individually, to execute such additional documentation or certificates and to take any and all further action that may be necessary or appropriate in the opinion of General Counsel to the Commission, in order to effect the purchase of the above-described insurance policies and the intent of this Resolution.

(Resolution No. 56-2020 adopted August 17, 2020)