

ERIE COUNTY WATER AUTHORITY
AUTHORIZATION FORM
For Approval/Execution of Documents
(check which apply)

Contract: _____	Project No.: _____
Project	Placement of Insurance Coverages for the 7/1/19 through 6/20/20 time
Description:	period

Item Description:

<input type="checkbox"/> Agreement	<input type="checkbox"/> Professional Service Contract	<input type="checkbox"/> Amendment	<input type="checkbox"/> Change Order
<input type="checkbox"/> BCD	<input type="checkbox"/> NYSDOT Agreement	<input type="checkbox"/> Contract Documents	<input type="checkbox"/> Addendum
<input type="checkbox"/> Recommendation for Award of Contract	<input type="checkbox"/> Recommendation to Reject Bids		
<input type="checkbox"/> Request for Proposals			
<input checked="" type="checkbox"/> Other <u>Board Authorization to approve and bind coverages</u>			

Action Requested:

<input type="checkbox"/> Board Authorization to Execute	<input type="checkbox"/> Legal Approval
<input type="checkbox"/> Board Authorization to Award	<input type="checkbox"/> Execution by the Chairman
<input type="checkbox"/> Board Authorization to Advertise for Bids	<input type="checkbox"/> Execution by the Secretary to the Authority
<input type="checkbox"/> Board Authorization to Solicit Request for Proposals	
<input checked="" type="checkbox"/> Other <u>Board Authorization to authorize Chairman to sign and bind coverage</u>	

Approvals Needed:

APPROVED AS TO CONTENT:

<input checked="" type="checkbox"/> Department Head	<u>Margaret A. Murphy</u>	Date: <u>6/19/19</u>
<input checked="" type="checkbox"/> Risk Manager	<u>[Signature]</u>	Date: <u>06/19/2019</u>
<input checked="" type="checkbox"/> Chief Financial Officer	<u>Lavonia Pendergast</u>	Date: <u>6/19/19</u>
<input checked="" type="checkbox"/> Director of Admin.	<u>Lavonia Pendergast</u>	Date: <u>6/19/19</u>

APPROVED AS TO FORM:

<input checked="" type="checkbox"/> Legal	<u>Margaret A. Murphy</u>	Date: <u>6/19/19</u>
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APPROVED FOR BOARD RESOLUTION:

<input checked="" type="checkbox"/> Secretary to the Authority	<u>[Signature]</u>	Date: <u>6/20/19</u>
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Remarks: _____	
Resolution Date: _____	Item No: _____



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

June 19, 2019

To: Commissioners Schad, Carney, and Jones

From: Karen A. Prendergast, Chief Financial Officer *KAP*

Subject: 2019-2020 Insurance Renewals

Attached is an analysis of recommended changes in cost and coverages proposed by Lawley Insurance. The following changes in coverage or deductibles is presented for consideration by the Board at the June 27th meeting.

- The crime policy has been enhanced to include coverage for computer fraud. As such, I am recommending an increase in the coverage limit from \$500,000 to \$1,000,000 and an increase in the deductible from \$5,000 to \$10,000. The net effect on the premium is \$1,090.
- Cyber insurance coverage has been increased from \$5,000,000 to \$20,000,000 with an increase in the deductible from \$25,000 to \$100,000. The net effect on the premium is \$33,237. Due to the many ways a cyber-attack could impact Authority business as well as potentially compromise confidential information, it is difficult to anticipate the cost of such an attack. The possibility of having a comprehensive review of potential loss is being discussed with Lawley to estimate the most efficient coverage level.

The following significant changes in premium, with no changes in coverage, should also be noted:

- Property insurance increased 13.8%, \$45,018, as a direct result of our claims history and increased property values;
- Umbrella coverage increased 15.3%, \$17,057, due to increases in auto liability rates and payroll increases;
- General liability rates for Security Officer coverage decreased 18.1%, \$3,618, due to a change in carrier from Maxim to Lloyd's of London.

In total, the insurance program for the 2019-2020 policy year is 3.7% higher than the 2018-2019 program – an increase of \$90,115.

Market changes make up \$55,788 of the increase, while enhancements and deductible changes represent the remaining \$34,327. Included in the analysis is a comparison of the recommended insurance program to the Authority's 2019 budget. Overall, the recommended coverages will result in an unfavorable variance of \$27,459, or 1.1%.

The recommended changes add significant protection and have been discussed with General Counsel with respect to adequacy of coverage. The budget variance will be transferred from miscellaneous general expenses.

Thank you for your consideration.

cc Margaret M. Murphy
 Terrence D. McCracken
 Anthony Alessi

Recommended Insurance Coverages 2019-2020

Coverage	Carrier	2018-2019	2019-2020	Change		Comments
General Liability	Philadelphia	200,845	202,326	1,481	0.74%	
Automobile	Philadelphia	168,188	168,770	582	0.35%	
Owners & Contractors	Philadelphia	500	500	-	0.00%	
Terrorism	Philadelphia	1,807	1,832	25	1.38%	
Taxes & Fees	Philadelphia	1,400	1,450	50	3.57%	
Subtotal		372,740	374,878	2,138	0.57%	
Property	Affiliated FM	325,962	370,980	45,018	13.81%	increase due to claims history
Crime	Travelers	3,653	5,170	1,517	41.53%	chg from 500k to 1M in coverage; added cov for computer fraud
Cyber	Chubb	31,989	65,226	33,237	103.90%	current 5m increase to 20M w/100k deductible
Public Officials Liability	Chubb	30,846	32,024	1,178	3.82%	
Umbrella	Ace	111,799	128,856	17,057	15.26%	increase in auto market rates & payroll
G/L - Security Officer	Lloyd's of London	19,952	16,334	(3,618)	-18.13%	Change from Maxim
Claim Management Svc	Lawley	10,000	10,000	-	0.00%	
Loss Control Svc	Lawley	40,000	40,000	-	0.00%	
Polciy Admin Svc	Lawley	20,000	20,000	-	0.00%	
Subtotal		70,000	70,000	-	0.00%	
Subtotal Premiums		966,941	1,063,468	96,527	9.98%	
Workers' Compensation	NYSIF	1,490,256	1,483,844	(6,412)	-0.43%	
Total Premiums		2,457,197	2,547,312	90,115	3.67%	
2019 Budget		2,472,750				
Projected		<u>2,500,209</u>				
Variance		(27,459)				

ERIE COUNTY WATER AUTHORITY INSURANCE PREMIUM PAYABLE TO NYSIF AND LAWLEY FOR THE POLICY PERIOD 07/01/2018 - 07/01/2019

LINE OF INSURANCE	INSURANCE CARRIER	INSURANCE BROKER	POLICY DEDUCTIBLE	POLICY NUMBER	POLICY RECEIVED	ANNUAL PREMIUM	INVOICE NUMBER	DEPOSIT PREMIUMS
Workers Compensation	NYSIF	LAWLEY	\$0	20083274	10/24/18	\$1,472,876.66	55270596	\$1,472,876.66
Workers Compensation Management Fee to Lawley	NYSIF	LAWLEY				\$70,000.00	96682	\$70,000.00
General Liability	PHILADELPHIA	LAWLEY	\$15,000	PHPK1835968	10/24/18	\$202,652.00	96641	\$202,652.00
Auto	PHILADELPHIA	LAWLEY	\$1,000 Coll. \$500 Comp.	PHPK1835968	10/24/18	\$168,188.00		\$168,188.00
NYMVLEF (New York Motor Vehicle Law Enforcement Fee)						\$1,400.00		\$1,400.00
Property, Inland Marine and Boiler & Machinery	FM Global	LAWLEY	\$250,000	MK860	10/24/18	\$315,962.00	96670	\$315,962.00
NY Fire Fee						\$1,081.00		\$1,081.00
Property, Inland Marine and Boiler & Machinery - Engineering Service Fee	FM Global	LAWLEY		PHPK1835968	10/24/18	\$10,000.00		\$10,000.00
Excess Umbrella - \$10,000,000	Ace / Chubb	LAWLEY	\$10,000	N10998664 002	10/24/18	\$111,799.00	96660	\$111,799.00
Cyber Liability	Ace / Chubb	LAWLEY	\$25,000	EONG25567365003	10/24/18	\$31,989.00	96631	\$31,989.00
Public Officials Liability	Ace / Chubb	LAWLEY	\$100,000	G46783281002	10/24/18	\$30,846.00	96630	\$30,846.00
Security Guard General Liability - Term: 4/15/2018 - 7/1/2019	Maxum Indemnity Company	LAWLEY	\$5,000	GLP603285601	05/24/18	\$19,951.88	91862	\$19,951.88
Owners Protective - DEC (Smokes Creek)	PHILADELPHIA	LAWLEY	\$0	PHPK1835973	11/05/18	\$250.00	96642	\$250.00
Owners Protective - NYSDOT	PHILADELPHIA	LAWLEY	\$0	PHPK1835975	11/05/18	\$250.00	96645	\$250.00
Depew Street Opening Bond (07/01/2017 - 07/01/2019)	MAIN STREET AMERICA ASSURANCE COMPANY	LAWLEY	\$0	S446987	10/25/18			\$0.00
Crime Policy	TRAVELERS	LAWLEY	\$1,000 - \$5,000	106315566	10/24/18	\$3,668.00	96657	\$3,668.00
TOTAL - Workers Compensation Premium	\$1,472,877							\$0.00
TOTAL - Workers Compensation Management Fee	\$70,000							\$0.00
TOTAL Workers Compensation	\$1,542,877							\$0.00
TOTAL LAWLEY	\$968,037							
GRAND TOTAL	\$2,440,914					\$2,440,913.64		\$2,440,913.64

\$169,588.00

\$317,043.00