

Greater Cleveland Regional Transit Authority

SUMMARY OF PROPOSED AWARD CASUALTY INSURANCE BROKER

Presented to: Audit, Safety Compliance, and
Real Estate Committee

March 6, 2018



Project Overview

Casualty Insurance Broker

GCRTA maintains a Casualty Insurance program for protection of assets against catastrophic loss

- Excess Liability (General, Rail, Auto) - \$95 million limits, \$5 million Self-Insured Retention
- Excess Workers' Compensation - \$10 million limit, \$750,000 SIR
- Public Officials Liability / EPL - \$5 million limit, \$250k SIR

Project Overview

Casualty Insurance Broker

Need a Casualty Insurance Broker to:

- Access the insurance markets
- Assist in assessing the exposure, completing applications, underwriting submission
 - Fleet, service miles, passengers, description of rail system
 - Loss history
 - Loss Control efforts: Safety programs, cameras, security efforts

Project Overview

Casualty Insurance Broker

Need a Casualty Insurance Broker to:

- Strategize re: state of the market, what carriers, risk appetite, meetings with underwriters
- Obtain proposals from one or more insurance carriers
- Analyze, negotiate most favorable terms & conditions, pricing
- Bind coverage, check policies

Project Overview

Casualty Insurance Broker

Ongoing Insurance / Risk Management Support:

- Insurance Requirements for vendors / contractors
- Specialized insurance consultations, e.g. Railroad Protective, Environmental
- Bonding Issues
- Actuarial Study / Balance Sheet Reserves

Procurement Overview

Casualty Insurance Broker

- RFP issued December 2017
- Accessed on the GCRTA website by 11 interested parties
- Five firms proposed

Procurement Overview

Casualty Insurance Broker

Evaluation Panel Members:

- Finance and Administration
- Internal Audit
- Legal
- Office of Business Development
- Operations
- Planning and Development
- Procurement
- Risk Management

Procurement Overview

Casualty Insurance Broker

Evaluation Criteria:

- References, market reputation and experience of the firm in the areas of risk funding, casualty account management and insurance placement activities for accounts of a similar size and complexity
- Cost effectiveness of proposal

Procurement Overview

Casualty Insurance Broker

Evaluation Criteria, continued:

- Relevance and quality of staff experience and credentials assigned to this account. Experience with other public transit properties a plus
- Organization, clarity and responsiveness of proposals in regard to the requirements outlined in the RFP

Procurement Overview

Casualty Insurance Broker

Recommended Firm:

- USI Insurance Services
 - Located in San Francisco, CA with a local office in Cleveland, OH
- DBE Goal of 16% will be met by using:
 - Rutledge Group, located in Cleveland, OH

Procurement Overview

Casualty Insurance Broker

Firm Experience:

- GCRTA's casualty insurance broker, in partnership with Price Forbes (a Lloyd's of London broker), since 2013
 - Provide historical knowledge, technical rail knowledge, and understanding of our issues
 - Longstanding relationship with Price Forbes allows access to London and Bermuda markets
 - Price Forbes considered the best rail Lloyd's of London broker in London or Bermuda

Procurement Overview

Casualty Insurance Broker

Firm Experience, continued:

- As one of the largest commercial insurance brokerage firms in the United States, they provide extensive experience in design and placement of insurance premiums
- Extensive experience in public transit and rail industries
- Strong market relations for transit accounts, ensuring GCRTA obtains the broadest and most competitively priced insurance coverage

Procurement Overview

Casualty Insurance Broker

Firm Experience, continued:

- Recent clients include: GCRTA, Charlotte Area Transit System, Golden Gate Bridge, Highway and Transportation District, Northwestern Pacific Railroad Company, San Mateo County Transportation Authority, and San Francisco Bay Area Metropolitan Transportation Commission.

Procurement Overview

Casualty Insurance Broker

Firm Experience, continued:

- Price Forbes' recent clients include: Washington Metropolitan Area Transit Authority, Fort Worth Transportation Authority, Sun Rail, Tri Rail, CT Rail and Metrolink.

Procurement Overview

Casualty Insurance Broker

- Staff requests that the Audit, Safety Compliance, and Real Estate Committee recommend to the Board of Trustees the award to USI Insurance Services in an amount not to exceed \$274,350.00 for the base three years, and in an amount not to exceed \$91,450.00 for each of the two option years, for a total contract amount not to exceed \$457,250.00 for the five year period