

ORDINANCE NO. 009-73

AN ORDINANCE AUTHORIZING THE
PURCHASE OF PROPERTY AND EXCESS
INSURANCE COVERAGE

WHEREAS, On November 13, 2008, the Chicago Transit Board ("Authority") authorized a contract with Mesirow Insurance Services, Inc. ("Mesirow"), a division of Mesirow Financial, to provide professional insurance brokerage services to the Chicago Transit Authority ("Authority"); and

WHEREAS, Subsequent to the execution of that contract, Mesirow was directed by the Authority to engage in a competitive process resulting in the identification of insurance carriers that could provide property insurance to the Authority; and

WHEREAS, The Authority, in conjunction with Mesirow, generated and reviewed a comprehensive list of the Authority's property and assets valued at \$5.29 billion to determine what level of property insurance was needed by the Authority; and

WHEREAS, Mesirow has engaged in a brokerage process common to the insurance brokerage industry and recommends the purchase of a primary layer of property insurance from Lloyd's of London for a one year premium (including taxes) not-to-exceed One Million Eight Hundred Eighty-Seven Thousand Three Hundred Forty Dollars (\$1,887,340) and the purchase of excess property insurance from Lloyd's of London (43%), RSUI Group, Inc. (23.8%), AXIS Specialty (23.8%), and Aspen Specialty (9.4%) for a one-year premium (including taxes) not-to-exceed Two Hundred Four Thousand Two Hundred Eighty-Nine Dollars (\$204,289); and

WHEREAS, The premium year will begin on July 29, 2009, and end on July 29, 2010 for both the primary layer and excess layer of property insurance; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Board, or her designee, is authorized to enter into an insurance contract for the primary layer of property insurance with Lloyd's of London for coverage from July 29, 2009, to July 29, 2010, for a premium (including taxes) not-to-exceed one million eight hundred eighty-seven thousand three hundred forty dollars (\$1,887,340).

SECTION 2. The Chairman of the Board, or her designee, is authorized to enter into an insurance contract for the excess layer of property insurance with Lloyd's of London (43%), RSUI Group, Inc. (23.8%), AXIS Specialty (23.8%), and Aspen Specialty (9.4%) for coverage from July 29, 2009, to July 29, 2010, for a premium (including taxes) not-to-exceed two hundred four thousand two hundred eighty-nine dollars (\$204,289).

ORDINANCE NO. 009-73
(Continued) -2

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

July 15, 2009

Assistant Secretary

July 15, 2009