

ORDINANCE NO. 011-51

AN ORDINANCE AUTHORIZING
THE PURCHASE OF PROPERTY
AND EXCESS INSURANCE
COVERAGE

WHEREAS, On November 12, 2008, the Chicago Transit Board authorized a five year contract with Mesirow Insurance Services, Inc., a division of Mesirow Financial ("Mesirow"), to provide professional insurance brokerage services to the Chicago Transit Authority ("Authority"); and

WHEREAS, The Authority in conjunction with Mesirow generated and reviewed a comprehensive list of the Authority's property and assets to determine the level of property insurance needed by the Authority; and

WHEREAS, As it had in the previous two years, Mesirow was directed in 2010 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 the Authority purchased comprehensive property insurance for policy year 2010-2011; and

WHEREAS, Authority staff and Mesirow recently updated the list of the Authority's property and assets and determined the current value had decreased slightly to Five Billion Four Hundred Ninety Three Million Dollars (\$5,493,000,000); and

WHEREAS, Staff recommends the purchase of property insurance from Lloyds of London for a one year "base" premium of One Million Eight Hundred Thirty-one Thousand Six Hundred Dollars (\$1,831,600) plus 4.7% for surplus lines and miscellaneous taxes for a total not-to-exceed sum of One Million Nine Hundred Seventy-five Thousand Dollars (\$1,950,000) to cover all property insurance costs for the policy year July 29, 2011 to July 28, 2012; and

WHEREAS, In the event there is a premium increase due to a material event prior to the beginning of the policy year that affects initial pricing or an increase in the value of Authority's property by more than ten percent (10%) during the policy year, Transit Board approval of the increase will be received in advance of payment; now, therefore:

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

SECTION 1. The Chairman of the Board, or his designee, is authorized to enter into an insurance contract for primary and excess property insurance with Lloyds of London for property coverage for all Authority property from July 29, 2011 to July 28, 2012, for a not-to-exceed cost of One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000).

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SECTION 2. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

June 8, 2011

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