

ORDINANCE NO. 020-63

AN ORDINANCE AUTHORIZING
THE PURCHASE OF PRIMARY
AND EXCESS PROPERTY
INSURANCE COVERAGE FOR
POLICY YEAR 2020-2021

WHEREAS, On December 10, 2015, the Chicago Transit Authority (“Authority”) renewed its brokerage contract with Mesirow Insurance Services, Inc., a division of Mesirow Financial (“Mesirow”), to provide professional insurance brokerage services to the Authority for an additional five years, effective until January 2021; and

WHEREAS, Authority staff and Mesirow recently updated the list of the Authority’s property and assets and determined that the current value has increased by approximately \$66 million to \$7.22 billion; and

WHEREAS, As it had in previous years, Mesirow was directed by the Authority to engage in a competitive process to identify insurance carriers that could provide property insurance to the Authority; and

WHEREAS, Mesirow approached the insurance market aggressively, submitting the Authority’s underwriting submission for property insurance coverage to more than forty (40) insurance carriers; and

WHEREAS, Staff recommends the purchase of property insurance on a shared and layered program led by Lloyd’s of London and including the participation of additional carriers for a total not-to-exceed sum of Four Million Seven Hundred Thousand Dollars (\$4,700,000.00) to cover all property insurance costs for the policy year July 29, 2020 to July 29, 2021; and

WHEREAS, In the event that there is a premium increase due to an increase in the value of the Authority’s property by more than five percent (5%) and thereby requiring a reconciliation premium, Board approval of the increase will be obtained in advance of payment if the total amount of the premium is greater than the not-to-exceed sum; and

WHEREAS, In the event that there is a premium increase due to a material event occurring prior to the beginning of the policy year that affects initial pricing, Board approval of the increase will be obtained in advance of payment; now, therefore:

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

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SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is authorized to enter into an insurance contract for primary and excess property insurance with Lloyd's of London and additional carriers for property coverage for all Authority property from July 29, 2020 to July 29, 2021, for a not-to-exceed cost of Four Million Seven Hundred Thousand Dollars (\$4,700,000.00).

SECTION 2. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

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

APPROVED:

PASSED:

Chairman

Assistant Secretary

July 15, 2020

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