



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Issue purchase order to Willis of Illinois, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$45,863.00, Account 101-25000-612290, Requisition 1528584

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Date	Ver.	Action By	Action	Result
10/3/2019	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 3, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order to Willis of Illinois, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$45,863.00, Account 101-25000-612290, Requisition 1528584

Dear Sir:

At the Board Meeting of December 21, 2017, in accordance with Contract 17-RFP-32, the Board of Commissioners awarded a purchase order to Willis of Illinois, Inc. (Willis) to serve as the District's broker-of-record for cyber risk coverage and related services for a three-year period. In this capacity, Willis has responsibility for securing quotes from the insurance market for cyber insurance for the District.

On September 19, 2019, the District received certain bid quotation(s) which Willis had solicited pursuant to the detailed specifications and underwriting submission for cyber insurance including aggregate policy limit options of \$3,000,000.00 and \$5,000,000.00 and with a self-insured retention (SIR) of \$50,000.00 for a one-year period to be effective on or after October 3, 2019 to provide cyber insurance coverage for the District.

Seven insurance companies were approached for quotations. Five companies provided quotations. All five carriers who provided a quotation offered the limits requested, but not all offered the SIR of \$50,000 as requested. A number of the quotes only included a larger SIR, but with no cost savings. Two companies declined to provide a quotation, stating that governmental entities are outside their underwriting guidelines.

It was determined that optimal program design, coverage, and pricing for cyber coverage was offered by the AXIS Insurance Company (AXIS) with an Aggregate Policy Limit of \$5,000,000.00 and a self-insured retention of \$50,000.00 at the rate of \$45,863.00. AXIS offered the most competitive pricing and the proposed program provides excellent coverage terms and conditions.

AXIS also offers specialized content and risk management tools to help improve preparedness and to facilitate

response to network and data security events through a private web-based portal available to its clients.

The proposal terms and conditions were evaluated by Willis, the Risk Manager, the Director of Human Resources and a representative from the Procurement and Materials Management Department. Based on their collective review, it was determined that the District should purchase cyber insurance coverage from AXIS Insurance Company. The company is licensed to do business in Illinois, is an admitted carrier, and has an A.M. Best Company rating of A+ (Superior), XV (\$2.0 Billion or greater).

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order to Willis of Illinois, Inc. in an amount not to exceed \$45,863.00.

Funds are available in Account 101-25000-612290.

Requested, Beverly K. Sanders, Director of Human Resources, BKS:RAJ

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for October 3, 2019