



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Issue purchase order to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Deferred Compensation Plan and Trust, in an amount not to exceed \$9,100.00, and authorization for payment by direct voucher to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Retiree Health Care Trust (OPEB), in an amount not to exceed \$6,300.00, Accounts 101-25000-612290 and P802-11000-798200 respectively, Requisition 1472773

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Attachments:

Date	Ver.	Action By	Action	Result
9/14/2017	1	Board of Commissioners	Approved	Pass
9/14/2017	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 14, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Deferred Compensation Plan and Trust, in an amount not to exceed \$9,100.00, and authorization for payment by direct voucher to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Retiree Health Care Trust (OPEB), in an amount not to exceed \$6,300.00, Accounts 101-25000-612290 and P802-11000-798200 respectively, Requisition 1472773

Dear Sir:

At the Board Meeting of December 18, 2014, in accordance with Contract 14-RFP-33, the Board of Commissioners awarded a purchase order to Mesirow Insurance Services, Inc. (Mesirow) to serve as the District's broker-of-record for the handling of Fiduciary Liability Insurance and related services for a three year period. In this capacity, Mesirow has responsibility for securing quotes from the insurance market for this and other specified insurance policies, and presenting the quotes from qualified carriers to the Risk Manager for review and recommendation of a selected carrier to the Director of Procurement and Materials Management. The current Fiduciary insurance policy will expire on November 1, 2017.

On August 22, 2017, the District received certain bid quotations/market responses which Mesirow had solicited pursuant to the Detailed Specifications for Fiduciary Liability Insurance for both the Deferred Compensation Plan and Trust and the Retiree Health Care Trust (OPEB) for a one-year period from November 1, 2017 through November 1, 2018. An annual aggregate liability limit of five million dollars, subject to a self-insured retention of ten thousand dollars per claim, was requested.

For the 2017 placement, ten insurance carriers were approached. Three carriers provided quotations at the limits and retention level requested. One carrier only offered a pricing indication. Six carriers declined to offer a quotation.

It was determined that optimal program design, coverage and pricing for Fiduciary Liability coverage was offered by Great American Insurance Company, at the rate of \$9,100.00 for the Deferred Compensation Plan and Trust and \$6,300.00 for OPEB, for a combined policy premium of \$15,400.00 which is a 0.1% increase over the prior year's premium. This placement will provide an annual aggregate liability limit of five million dollars subject to a self-insured retention of ten thousand dollars per claim.

The quotations/market responses were evaluated by Mesirow, the Risk Manager, and a representative for the Procurement and Materials Management Department. Based on their collective review, it is recommended that the District should place this coverage with Great American Insurance Company. The company is licensed to do business in Illinois, complied with the terms and conditions of the bid specifications, and has an A.M. Best Company rating of A+ (Superior), XIV (\$1.5 billion to \$2.0 billion), with a financial outlook of Stable.

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order to Mesirow Insurance Services, Inc., in an amount not to exceed \$9,100.00, for the Deferred Compensation Plan and Trust and authorize payment by direct voucher to Mesirow Insurance Services, Inc., for furnishing Fiduciary Liability Insurance for the Retiree Health Care Trust (OPEB), in an amount not to exceed \$6,300.00.

Funds are available in Accounts 101-25000-612290 and P802-11000-798200 respectively.

Requested, Beverly K. Sanders, Director of Human Resources

Requested, Mary Ann Boyle, Treasurer

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 September 14, 2017