



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 3, 2020

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order to Willis Towers Watson Midwest, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$46,826.00, Account 101-25000-612290, Requisition 1547205

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. whose name was changed to Willis Towers Watson Midwest, Inc. as of January 1, 2020 (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 August 18, 2020, 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 October 4, 2020 to provide cyber insurance coverage for the District.

Five insurance companies were approached for quotations. One company provided a quotation and four companies provided an indication. All five carriers who provided a quotation/indication offered the limits requested, but only one offered the SIR of \$50,000 as requested. All four carriers providing an indication included only an SIR of \$100,000 or higher, but with no cost savings.

It was determined that optimal program design, coverage, and pricing for cyber coverage was offered by the AXIS Insurance Company with an Aggregate Policy Limit of \$5,000,000.00 and a self-insured retention of \$50,000.00 at the rate of \$46,826.00 which is a 2.1% increase in premium over the prior year. AXIS offered the most competitive pricing and the proposed program provides excellent coverage terms and conditions.

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 (Excellent), XV (\$2.0 Billion or greater).

The Affirmative Action goals for Contract 17-RFP-32 are 10% Minority Business Enterprises (MBE), 5% Women Business Enterprises (WBE) and 10% Small Business Enterprises (SBE).

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 Towers Watson Midwest, Inc. in an amount not to exceed \$46,826.00.

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 September 3, 2020

Attachment