



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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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 \$10,556.00, 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 \$10,044.00, Accounts 101-25000-612290 and P802-11000-798200 respectively, Requisition 1587056

Sponsors:

Indexes:

Code sections:

Attachments: 1. Contract 17-RFP-32 Appendix A Report - Mesirow Insurance Services, Inc.

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|----------|--------|
| 9/15/2022 | 1 | Board of Commissioners | Approved | Pass |

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 15, 2022

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, 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 \$10,556.00, 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 \$10,044.00, Accounts 101-25000-612290 and P802-11000-798200 respectively, Requisition 1587056

Dear Sir:

Authorization is requested to issue a purchase order to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Deferred Compensation Plan and Trust, and authorization for payment by direct voucher to Mesirow Insurance Services, Inc. for Furnishing Fiduciary Liability Insurance for the Retiree Health Care Trust (OPEB).

At the Board Meeting of December 21, 2017, in accordance with Contract 17-RFP-32, 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. As allowed by Contract, the District elected to extend the term for an additional two years to expire on December 31, 2022. In this capacity, Mesirow has responsibility for securing quotes from the insurance market for specified insurance policies including the current fiduciary liability insurance policy which will expire on November 1, 2022

On August 30, 2022, the District received certain quotes and market responses which Mesirow 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, 2022 through November 1, 2023. An annual aggregate liability limit of \$5,000,000.00, subject to a self-insured retention of \$10,000.00 per claim, was requested.

For the 2022 placement, twelve insurance carriers were approached. Three carriers provided quotes at the limits and retention level requested. Nine carriers declined to quote for a variety of reasons, including the inability to be price competitive or provide requested limits, and the type of business.

The quotes were evaluated by Mesirow, the Risk Manager and the Senior Risk Analyst. Based on the collective review, it is recommended that the District place this coverage with Great American Insurance Company at the cost of \$10,556.00 for the Deferred Compensation Plan and Trust and \$10,044.00 for the Retiree Health Care Trust (OPEB), for a combined policy premium of \$20,600.00. This is a \$1,000.00 (5.1%) increase over the prior year's premium, which is due to a 2.15% increase in the policy rate and a 2.89% increase in plan assets. This placement will provide an annual aggregate liability limit of \$5,000,000.00, subject to a self-insured retention of \$10,000.00 per claim.

The Diversity Section has reviewed this contract and determined that Mesirow Insurance Services, Inc. has met the requirements of Appendix A. The Minority-owned Business Enterprises (MBE), Women-owned Business Enterprises (WBE) and/or Small Business Enterprises (SBE) goals are: 10% MBE, 5% WBE and 10% 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 Mesirow Insurance Services, Inc., in an amount not to exceed \$10,556.00, 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 \$10,044.00.

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

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

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 15, 2022

Attachment