



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 Willis Towers Watson Midwest, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$134,838.00, Account 101-25000-612290, Requisition 1587097

Sponsors:

Indexes:

Code sections:

Attachments: 1. Contract 17-RFP-32 Appendix A Report - Willis of Illinois, 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 Willis Towers Watson Midwest, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$134,838.00, Account 101-25000-612290, Requisition 1587097

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. (Willis) as of January 1, 2020, to serve as the District's broker-of-record for cyber risk coverage 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, Willis has responsibility for securing quotes from the insurance market for cyber insurance for the District.

On August 30, 2022, the District received a quote and market responses which Willis solicited pursuant to the detailed specifications for cyber insurance including aggregate policy limit options of \$3,000,000.00 and \$5,000,000.00, and a self-insured retention of \$500,000.00 for a one-year period to be effective on October 4, 2022.

For the 2022 placement, twenty-five insurance carriers were approached. One carrier (the incumbent) provided a quote. Another carrier provided an indication at one of the policy limit options requested, but with both a significantly higher premium and self-insured retention. The other twenty-three carriers did not offer quotes. The insurance carriers who specifically declined to quote stated a variety of reasons, most often the inability to underwrite public entity business or to offer primary coverage.

The quote was evaluated by Willis, the Risk Manager, the Senior Risk Analyst and the Director of Human Resources. Based on the collective review, it is recommended that the District purchase cyber insurance

coverage from AXIS Insurance Company with an aggregate policy limit of \$5,000,000.00 and a self-insured retention of \$500,000.00 at the rate of \$134,838.00, which is an increase of \$34,838.00 (34.84%) over the prior year's premium.

The Diversity Section has reviewed this contract and determined that Willis 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 Willis Towers Watson Midwest, Inc. in an amount not to exceed \$134,838.00.

Funds are available in Account 101-25000-612290.

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