

21863

Date: September 23, 2011

To: Board of Acquisition and Contract

From: Robert F. Meehan
County Attorney

Re: Authority to enter into an Agreement with Chartis (formerly known as the American International Group Inc. "AIG") through the brokerage firm of Marsh USA, Inc. of New York, N.Y. to purchase Helicopter Hull and Liability Insurance at a cost not to exceed \$66,264.00 for the Policy Period November 4, 2011 through November 4, 2012. Authority is also requested to pay premiums up to an additional \$55,000.00 which represents the funds that are estimated to be necessary to insure a newly acquired helicopter (in early 2012) bringing the total amount not to exceed to \$121,264.00 for the policy covering the entire fleet.

On October 21, 2010, your Honorable Board approved the purchase of Helicopter Hull and Liability Insurance from Chartis (formerly known as the American International Group Inc.), through the brokerage firm of Marsh USA, Inc. of New York, NY for two helicopters, a Hughes OH-6 and a Bell 407, operated by the Department of Public Safety ("DPS"). An agreement for the purchase of Helicopter Hull and Liability Insurance for the term November 4, 2010 through November 4, 2011 was entered into in the amount of \$63,291.00.

Three (3) insurance companies were approached by Marsh USA on behalf of the County, and were asked to provide quotations for insuring the helicopters in the upcoming policy year. Two (2) of the insurance companies responded; (the remaining company declined to quote.) After a thorough review of both responses, it was determined that the proposal submitted by Chartis best served the County's interests, and was the lowest quotation provided.

Authority is now requested for the County of Westchester to enter into an agreement with Chartis through the brokerage firm of Marsh USA, Inc. of New York, N.Y. to purchase Helicopter Hull and Liability Insurance for the policy period November 4, 2011 through November 4, 2012. The insurance package provides: a) \$50,000,000.00 "All Risk" "First Dollar" Liability coverage b) Hull Physical Damage Coverage subject to a \$1,000.00 deductible (rotors not in motion) and c) 5% Hull value deductible (rotors in motion) for each County helicopter.

The combined premium for the term November 4, 2011 through November 4, 2012 is in an amount not to exceed \$66,264.00. We have been advised by the Department of Public Safety that the 1969 Hughes Helicopter will be removed from service effective January, 2012. Additionally, the Department of Public Safety advises that they will be acquiring a second Bell 407 helicopter in early 2012. Therefore, authority is also requested to pay the additional premium that will be necessary to insure the new helicopter, in an amount not to exceed \$55,000.00, bringing the total amount not to exceed to \$121,264.00 for the policy covering the entire fleet (any credit due from deletion of the older helicopter will be applied to the policy as well).

The goals and objectives of this agreement are to provide insurance coverage for the Helicopters. The goals and objectives are in the best interest of the County in terms of fiscal responsibility because the insurance coverage will protect County assets in the event of an accident, thus insuring public service continuity and reducing risk for all parties. Risk Management will track and monitor any reports of incidents and/or accidents occurring over the policy period and prepare a summary report at the end of the policy period identifying number of occurrences and corrective actions taken (as necessary) to prevent recurrence.

The proposed Agreement will serve a public purpose by protecting County assets in the event of an accident, thus ensuring public service continuity and reducing risk for all parties.

Accordingly, your favorable action on the annexed Resolution is recommended.
enc.

RFM/AJD/mkf

APPROVED BOARD OF ACQUISITION & CONTRACTS, COUNTY OF WYOMING, CLERK

RESOLUTION

Upon a communication from the County Attorney, be it hereby

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an agreement with Chartis (formerly known as the American International Group Inc. "AIG") through the brokerage firm of Marsh USA, Inc. of New York, New York to purchase Helicopter Hull and Liability Insurance; and be it further

RESOLVED, that under the terms of the agreement, the policy shall provide: a) \$50,000,000.00 "All Risk" "First Dollar" Liability coverage b) Hull Physical Damage Coverage subject to a \$1,000.00 deductible (rotors not in motion) and c) 5% hull value deductible (rotors in motion) for each of the two County helicopters; and be it further

RESOLVED, that the premium cost of the insurance package at policy inception shall not exceed \$66,264.00 for the policy period November 4, 2011 through November 4, 2012; and be it further

RESOLVED, that the County may pay additional premiums under this insurance policy up to \$55,000.00, to cover the costs of insuring the newly acquired helicopter during the 2011-2012 policy year, for a total amount not to exceed \$121,264.00 for the policy covering the entire fleet; and be it further

RESOLVED, that this Agreement is subject to County appropriations; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount, then the Insurance companies shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his authorized designee is hereby authorized to execute all instruments and take all actions reasonably necessary to implement this Resolution.

Account to be Charged/Credited

	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
			Unit/subunit	Object/sub		
2011	101	52	2004	4280		\$66,264.00
2012	101	52	2004	4280		\$55,000.00

Budget Funding Year(s) 2011-2012 Start Date 11/4/11 End Date 11/4/12

Funding Source Tax Dollars _____ 100% _____
 State Aid _____
 Federal Aid _____
 Other _____

\$121,264.00

APPROVED BOARD OF ACQUISITION & CONTRACT - 10/27/2011 - JOMARY WEIRA, SECRETARY