

77414

DATE: June 16, 2020

TO: Board of Acquisition and Contract

FROM: John M. Nonna  
County Attorney

SUBJECT: Authority to purchase an insurance policy from the New York Municipal Insurance Reciprocal (“NYMIR”), through its exclusive brokerage firm of Brown & Brown of New York, Inc., which does business as The Spain Agency, for bus liability insurance for the portion of the Bee-Line Bus System currently operated by Liberty Lines Transit, Inc., for the period from July 1, 2020 through July 1, 2021, for an amount not-to-exceed \$3,506,432.00.

On June 13, 2019, your Honorable Board approved the purchase of bus liability insurance from the New York Municipal Insurance Reciprocal, through its exclusive brokerage firm of Brown & Brown of New York, Inc., which does business as The Spain Agency. Consistent with last year’s approach to insurance for bus operations under the Liberty Agreement, authority is again requested to purchase an insurance policy from NYMIR. Under the Policy, the County would be provided with bus liability insurance from NYMIR for the portion of the Bee-Line Bus System that is currently operated by Liberty Lines Transit, Inc. (“Liberty’s Bee Line Services”), for the period from July 1, 2020 through July 1, 2021, for an amount not-to-exceed \$3,506,432.00, which represents an increase from last year’s renewal of \$3,347,592.00.

While the proposal for 2020-2021 policy year remains the same for the primary coverage limit of \$1,000,000, in place of the current excess coverage limit of \$30,000,000 per occurrence/\$60,000,000 aggregate, insurers are offering a \$25,000,000 per occurrence/\$50,000,000 aggregate for the excess insurance layer of coverage. The increase in premium as well as the reduction in the excess layer of coverage is due to many factors, including the following: There is a reluctance on the part of carriers to insure public bus exposures. In addition, we are in the midst of a hardening market – less carriers willing to offer capacity (limits) and those that are still around are charging significantly higher rates. In addition, commercial auto claims country-wide have seen an unprecedented level of jury verdicts further causing a reluctance to insure at the higher (excess) limits. Finally, the recent timing of COVID-19 pandemic and civil unrest (riots) have caused further hesitation for insurance markets to offer higher excess limits as the impact of these events are still unknown to the insurance industry.

Except for the change in the excess layer of coverage, all other terms and conditions of the policy shall remain the same as the expiring program. Also consistent with last year's program, quarterly premium payments will be made beginning July 1, 2020.

The proposed Policy will serve a public purpose by ensuring that the County will have both proper and cost-effective insurance coverage for Liberty's Bee-Line Services. NYMIR in conjunction with the Spain Agency also provides enhancements such as additional training programs (i.e., Simulator Training for Bus drivers) to assist in updating and improving driving skills. Liberty Lines safety management staff conduct weekly meetings in conjunction with Insurance and Risk Management representatives with a goal toward improving overall driving skills thus reducing the number of incidents.

The goal and objective of the proposed Policy is to provide insurance coverage for the bus program. The goals and objectives are in the best interests of the County in terms of fiscal responsibility, as it will ensure that the County's insurance coverage for Liberty's Bee-Line Services is cost-effective.

The procurement of the Policy is exempt from the County's Procurement Policy and Procedures pursuant to Section 3(a)(v) thereof.

I respectfully recommend the adoption of the attached resolution.

JMN/AJD/mkf

APPROVED BOARD OF ACQUISITION & CONTRACTS 05/18/2020 USMIR/AJSECRETARY

## RESOLUTION

Upon a communication from the County Attorney, be it hereby:

RESOLVED, that the County of Westchester (“County”) is hereby authorized to purchase an insurance policy from the New York Municipal Insurance Reciprocal (“NYMIR”) through Brown & Brown of New York, Inc., which does business as The Spain Agency, (“Spain”) as NYMIR’s exclusive brokerage firm in Westchester County (the “Policy”); and be it further

RESOLVED, that, under the Policy, the County will be provided with bus liability insurance from NYMIR for the portion of the Bee-Line Bus System currently operated by Liberty Lines Transit, Inc., for the period from July 1, 2020 through July 1, 2021, for an amount not-to-exceed \$3,506,432.00; and be it further

RESOLVED, that, under the Policy, the County will be provided with said insurance, and the County will pay for said insurance; and be it further

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Year	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
2020	101	44	2100	4280		\$1,753,216.00
2021	101	44	2100	4280		\$1,753,216.00

Budget Funding Year(s): 2020-2021 Start Date: July 1, 2020 End Date: July 1, 2021  
(must match resolution)

Funding Source: Tax Dollars: 100%  
State Aid: \_\_\_\_\_  
\$3,506,432.00 Federal Aid: \_\_\_\_\_  
(must match resolution) Other: \_\_\_\_\_