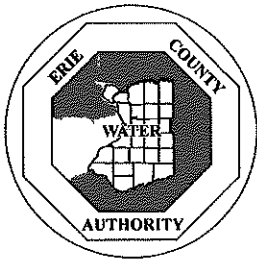


**ERIE COUNTY WATER AUTHORITY**  
**INTEROFFICE MEMORANDUM**



May 10, 2018

To: Commissioners Schad, Carney and Simmeth

From: Robert J. Lichtenthal, Jr., Deputy Director  
Anthony J. Alessi, Claims Representative / Risk Manager

Subject: 2018 - 2019 Insurance Program Update

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The Authority is currently completing the second year of a three year cycle for issuing full Requests for Proposals (RFP's) for its various insurance coverage's. The Board of Commissioners authorized the issuance of a Request for Proposals ("RFP") in connection with the procurement of Insurance Brokerage Services on February 25, 2016. At a regular meeting of the Board held on April 14, 2016, the Commissioners designated Lawley Insurance Services as its Insurance Broker and awarded a Broker of Record Letter to Lawley Insurance Services. Lawley Insurance Services was directed by the Authority to market its complete Insurance Protection Program by soliciting coverage's and pricing from the marketplace. At a regular meeting of the Board of Commissioners held on June 9, 2016 a complete report on the results of the marketing effort was presented to the Board of Commissioners and the staff made recommendations with respect to the various lines of insurance germane to this discussion.

Grundy Insurance, who administers the current Auto and General Liability program for the Erie County Water Authority, is in the process of replacing the current issuing company (Arch) with a new carrier. The new carrier will be Philadelphia Indemnity Insurance Company, who our insurance broker, Lawley Services, Inc., has a very close working relationship with. Given this relationship and Philadelphia's strong financial rating (A.M. Best A++ (Superior) Financial Size Category: XV (\$2 Billion or greater)), they see this as a positive for the Erie County Water Authority's Liability program going forward.

As part of the marketing process, we have directed Lawley to explore the possibility of varying degrees of Self-Insured Retentions and Deductibles to see if they make sense from a pricing standpoint. In addition, the Self-Insured retentions would give ECWA more control over the settlement of Liability claims.

Lawley should be finalizing quotes for all insurance coverage's in the coming weeks and will let us know when they are ready to be reviewed. When the information is received it will be shared with the Board.

