

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99910	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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PURPOSE

Obtain approval from the Board of Directors to initiate and award a competitively negotiated procurement for Insurance Brokerage Services for a base period of three years, with two one-year options.

DESCRIPTION

The services of an insurance broker are used to negotiate and place coverages with insurance carriers for all of the Authority's policies under the direction and guidance of WMATA staff. Brokers also provide other important functions such as serving as their client's advocate with insurance carriers for disputes relating to policy interpretation and claims resolution, monitoring insurance market trends, and suggesting policy changes resulting from changes in the market or legislative or judicial acts. Beyond supporting the Authority in securing insurance coverage, the broker has provided assistance in negotiating scope and cost of employee health care coverage with carriers for employee benefit plans.

We have been advised by our peers in the industry that insurance renewals currently coming to market are experiencing hyper-inflation with reduction in coverage, which may have an impact on our fiscal 2009 insurance renewal. Selection of a high-quality broker will help minimize our exposure to the volatility of today's insurance market.

FUNDING IMPACT

Budget: Operating Budget, FY2008 through FY2013
Project: Insurance Brokerage and Consulting Services

Budget Information :	FY08	FY09	FY10	FY11
Budget Amount:	\$458,000	\$322,523	TBD	TBD
This Action:	76,791	322,523	387,028	331,738
Prior Obligations:	222,583	0	0	0
Subtotal:	<u>299,375</u>	<u>322,523</u>	<u>387,028</u>	<u>331,738</u>
Remaining Budget:	\$158,625	\$ 0	N/A	N/A

Option years proposed: FY11 (part year) - \$110,580, FY12 - \$442,320, FY13 - \$368,600 (part year)

Remarks: Budget and funding beyond FY08 is subject to Board approval.

RECOMMENDATION

Staff recommends that the Board approve this request to initiate and award a competitively negotiated three-year contract Insurance Brokerage Services with two one-year options subject to Board approval of the annual budgets and funding availability.