

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON FINANCE  
MINUTES**

**Thursday, September 22, 2016**

Action on Minutes	2
Purchase of Public Liability Insurance	3

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES OF COMMITTEE ON FINANCE**

**150 Greenwich Street**

**New York, NY**

**Thursday, September 22, 2016**

**PRESENT:**

Hon. Richard H. Bagger, Chair

Hon. Jeffrey H. Lynford, Vice-Chair

Hon. Hamilton E. James

Hon. William P. Schuber

Committee Members

Hon. Steven M. Cohen

Hon. Michael D. Fascitelli

Hon. George R. Laufenberg

Commissioners

Michael Farbiarz, General Counsel

Karen E. Eastman, Secretary

Justin E. Bernbach, Director, Government and Community Affairs, New York

Benjamin S. Engle, Project Manager, Human Resources

David P. Garten, Chief of Staff to the Vice Chairman

Linda C. Handel, Deputy Secretary

Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management

Elizabeth M. McCarthy, Chief Financial Officer

James E. McCoy, Manager, Board Management Support, Office of the Secretary

Carlene V. McIntyre, Assistant General Counsel

Kristine O'Brien, Leadership Fellow, Human Resources

Jessica Russ, Principal Board Management and Support Specialist, Office of the Secretary

Timothy G. Stickelman, Assistant General Counsel

Cheryl A. Yetka, Treasurer

Guests:

Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Michael Wojnar, Special Assistant, Office of the Governor of New York

The Committee meeting was called to order in executive session by Commissioner Bagger at 11:28 a.m. and was adjourned at 11:34 a.m. The Committee also met in public session after the executive session. Chairman Degan recused himself and did not participate in the discussion on the insurance matter included in these minutes. Commissioner Lynford was not present for the public session portion of the meeting.

**Action on Minutes**

The Secretary reported that the Minutes of the meeting of July 21, 2016 had been signed and made available to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of July 21, 2016.

## **PURCHASE OF PUBLIC LIABILITY INSURANCE**

It was recommended that the Committee on Finance (Committee) authorize the purchase of certain insurance through the broker, Willis Towers Watson f/k/a Willis Group (Willis), with appropriate available limits, self-insured retentions and other terms, including coverage for all facilities of the Port Authority and its component units, effective October 27, 2016, composed of: (1) public liability insurance (Liability), including coverage for excess workers' compensation, for a one-year term; and (2) coverage for losses arising from acts of terrorism for a two-year term. The Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer each would be authorized to take action to effectuate the purchase of Liability insurance to protect the Port Authority and its related entities against potential losses related to bodily injury and property damage claims or suits brought by third parties, consistent with the terms outlined to the Committee.

At its February 19, 2015 meeting, the Committee authorized a brokerage agreement with Willis for a three-year term, from March 1, 2015 through February 28, 2018, to provide brokerage services, including placement and administration, for the property damage and loss of revenue and the Liability insurance programs, at a total combined fee of \$2,026,768. The Port Authority has the option to extend the agreement with Willis for one three-year renewal period, at an aggregate estimated additional brokerage fee of \$2,233,431.

At its meeting on September 24, 2015, the Committee authorized the purchase of Liability insurance, through Willis, including coverage for excess workers' compensation and losses arising from acts of terrorism, for all facilities of the Port Authority and its related entities for a one-year term, effective October 27, 2015. The current liability insurance coverage is scheduled to expire on October 27, 2016.

It is expected that the underwriters that are presently providing the Liability insurance coverage will continue to participate, and that additional insurers will be added to the program, to better leverage pricing of the various insurance layers, and that Port Authority Insurance Captive Entity, LLC also will continue to participate in the Liability insurance coverages, in order to gain additional capacity and pricing considerations, including with regard to terrorism coverage under the Terrorism Risk Insurance Program Reauthorization Act of 2015.

The Committee has power to act in this matter under and pursuant to the By-Laws and its Charter.

Pursuant to the foregoing report, the following resolution was adopted by the Committee, with Commissioners Bagger, James, Lipper and Schuber voting in favor. Assistant General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the purchase of certain insurance, for all facilities of the Port Authority and its component units, effective October 27, 2016, composed of: (1) public liability insurance, including coverage for excess workers' compensation, for a one-year term; and (2) coverage for losses arising from acts of terrorism for a two-year term, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer be and each hereby is authorized, for and on behalf of the Port Authority, to take action to effectuate the foregoing; and it is further

**RESOLVED**, that all documents required to effectuate the foregoing shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary