



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, September 25, 2012
Prepared By/Phone Number: C.W. Bruner, 854-9760
Elected/Appointed Official/Dept. Head: Cyd Grimes
Commissioners Court Sponsor: Judge Biscoe

Approve twelve-month extension (Modification No. 4) to Contract No. 4400000168 (HTE Contract No. 11T00204OJ), Falcon Insurance Agency, Inc., for aviation insurance coverage.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

This contract provides aviation insurance coverage for the Travis County Emergency Services helicopters.

This Modification No. 4 will extend the contract for an additional twelve (12) months, from October 1, 2012 through September 30, 2013.

Modification No. 3 was previously issued to amend the quarterly reporting of claims for Loss Reports by the carrier to annual reporting and upon request. StarFlight has such an extremely low volume of claims that quarterly reporting by the carrier is unnecessary. Annual reporting is more than sufficient for the volume of claims incurred by StarFlight.

Modification No. 2 was previously issued to make an administrative change to correct the model number of one of the scheduled aircraft. It was approved by the Purchasing Agent on December 7, 2011.

Modification No. 1 was previously issued to correct the amount of personal injury liability from Chartis Aerospace Insurance Services, Inc. ("Chartis"). This amount was listed as \$50,000,000 in the original contract. However, due to treaty restrictions, Chartis is not permitted to provide coverage greater than \$25,000,000. This level of coverage is acceptable to the County.

- **Contract Expenditures:** Within the last twelve (12) months, \$208,116 has been spent against this contract.

- **Contract Modification Information:**
 - Modification Amount: \$218,520.00
 - Modification Type: Bilateral
 - Modification Period: October 1, 2012 – September 30, 2013

- **Funding Information:**
 - Shopping Cart/Funds Reservation in SAP: 300000168
 - Comments:

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

MODIFICATION OF CONTRACT NUMBER: 11T00204OJ, Aviation Insurance Coverage PAGE 1 OF 2 PAGES

(SAP # 4400000168)

ISSUED BY:
PURCHASING OFFICE
700 LAVACA STREET
8TH FLOOR
AUSTIN, TX 78701

PURCHASING AGENT ASST:
CW Bruner
TEL. NO: (512) 854-9760
FAX NO: (512) 854-4211

DATE PREPARED:
August 17, 2012

ISSUED TO: 1000001396
Falcon Insurance Agency, Inc.
Attn.: Donn Gauger
Vice President and Account Executive
5316 Highway 290 W., Suite 440
Austin, Texas 78735

MODIFICATION NO.:

4

EXECUTED DATE OF ORIGINAL CONTRACT:

September 27, 2011

ORIGINAL CONTRACT TERM DATES: October 1, 2011 – September 30, 2012 CURRENT CONTRACT TERM DATES: October 1, 2012 – September 30, 2013

FOR TRAVIS COUNTY INTERNAL USE ONLY:
Original Contract Amount: \$208,116 Current Modified Amount \$218,520

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

RECITALS

On September 27, 2011 as a result of RFP # R110204-OJ, Commissioners Court of County entered into a contract with Contractor for aviation insurance for the two 2005 EuroCopter EC-145, 6 seats and one 2009 EuroCopter EC-145, 6 seats.

The contract provides for redetermination of premium payable for an option period in 2.2. In compliance with this section, the Contractor provided notice of the change at least 120 days before the contract ends on September 30, 2011; the increase requested is 5% which does not exceed 25% of the premium for the current contract term and that is determined by Chartis' cost of reinsurance; the insurance market conditions; the loss ratio of Travis County EMS; and Chartis' Underwriting loss ratio for this class of business.

AGREEMENT

The parties agree to change the terms and conditions stated in this contract as follows:


1.0 EXERCISE OF OPTION

1.01 County exercises its first option under the contract between Travis County and Falcon Insurance Agency, Inc. for Aviation Insurance Coverage commencing October 1, 2012, with the redetermination of premium shown in 2.0 of this amendment.

2.0 TOTAL PREMIUMS PAYABLE

2.1 Paragraph 2.1 is deleted and the following 2.1 is added in its place:

Note to Vendor:
[X] Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.
[] DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: Falcon Insurance Agency, Inc.
BY: 
SIGNATURE
BY: Donn Gauger
PRINT NAME
TITLE: Vice President/Account Executive
ITS DULY AUTHORIZED AGENT

DBA
 CORPORATION
 OTHER

DATE:
August 20, 2012

TRAVIS COUNTY, TEXAS
BY: _____
CYD V. GRIMES, C.P.M., CPPO, TRAVIS COUNTY PURCHASING AGENT

DATE:

TRAVIS COUNTY, TEXAS
BY: _____
SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE

DATE:

2.1 The annual premium for each of the aircraft shall be as follows for each of the aircraft:

2.1.1 For the initial contract term from October 1, 2011 to September 30, 2012:

Two 2005 EuroCopter EC-145, 6 seats and one 2009 EuroCopter EC-145, 6 seats:

\$ 7,300,000	Insured Hull Value	\$62,050. each
\$50,000,000	CSL Liability	4,238. each
	Hull War Risk	2,613. each
	War Risk Liability	471. each

\$25,000 each person and each occurrence Medical Payments, including crew
Miscellaneous Expansion Coverages –as listed in Attachment A
including Bambi Bucket use and rescue hoist

2.1.2 For the first option period term from October 1, 2012 to September 30, 2013 term and all subsequent option terms for each of the aircraft unless redetermined in compliance with 2.2 for the subsequent option terms:

Two 2005 EuroCopter EC-145, 6 seats and one 2009 EuroCopter EC-145, 6 seats:

\$ 7,300,000	Insured Hull Value	\$66,347. each
\$50,000,000	CSL Liability	6,493. each

Included in these coverages are:

Hull War Risk
War Risk Liability
\$25,000 each person and each occurrence Medical Payments, including crew
Miscellaneous Expansion Coverages –as listed in Attachment A
including Bambi Bucket use and rescue hoist

3.0 INCORPORATION OF CONTRACT

County and Contractor hereby incorporate the Contract into this amendment. Except for the changes made in Modifications 1, 2, and 3, County and Contractor hereby ratify all of the terms and conditions of the Contract.

4.0 EFFECTIVE DATE

This amendment is effective on the date on which it is approved by the Travis County Commissioners Court.

MICHAEL SO. BENTON
COUNTY CLERK

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury-in concurrence with the Secretary of State, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

Type of Policy	Additional Premium	Accept	Reject
Aircraft Liability	\$ <u>3156</u>	<u> </u>	<u> </u>
Aircraft Physical Damage	\$ <u>13140</u>	<u> </u>	<u> </u>
Comprehensive General Liability	\$ <u> </u>	<u> </u>	<u> </u>
Manufacturing Products/Completed Operations/Grounding Liability	\$ <u> </u>	<u> </u>	<u> </u>
Other	\$ <u> </u>	<u> </u>	<u> </u>

Policyholder/Applicant's Signature

Date

Policyholder/Applicant's Printed Name

Travis County, it's elective and appointive officials while acting within the scope of thir duties for Travis County, related to
Renewal of Policy

Name Insured / Policy Number(s)



Human Resources Management Department

700 Lavaca St. 4th Floor

● P.O. Box 1748

● Austin, Texas 78767

● (512) 854-9165 / FAX(512) 854-4203

Memorandum

May 31, 2012

To: Cyd Grimes, County Purchasing Agent

From: Dan Mansour, Risk & Benefits Manager, HRMD
William Paterson, Risk/Safety Specialist Sr. *WP*

Re: Aviation Insurance Renewal Review

After a review of the renewal proposal from Falcon Insurance Agency, Inc. it is the recommendation of Risk Management that we exercise the renewal option as provided for in the contract. Risk Management does not recommend the purchasing of the Terrorism coverage.

The commodity code is # 962, the sub-commodity code is # 004, and the premium due for the renewal period is \$ 218,520 and will be paid from line item # 525-114-0522-4408.

If you have any questions please call me at 854-9650. Thank you.

CC: Leslie Browder, County Executive Planning and Budget
Diane Poirot, Director, HRMD
C.W Bruner/Purchasing