

The Treasury – Risk Financing Division

# **Risk Finance Presentation**

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Covering our Risk Financing Procedures, Policies and Strategies for Tenant Construction

# Agenda

1. Who We Are
2. What We Do
3. When to Engage Risk Financing
4. Where to Seek Answers
5. Why the Port Authority Requires Insurance
6. How Insurance Requirements Are Set
7. Insurance Requirements by Procurement Categories:
  - a) Construction
  - b) Tenant Construction Alteration Process
  - c) Tenant Alteration Application
8. Useful Links
9. Q & A



**Nancy Medwid, Esq.**

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**General Manager of Risk Financing**

# CFO Financial Departments



## VISION

To revamp how we do business by providing customer-centric services reimagined to seamlessly integrate the Office's diverse financial functions

## MISSION

To provide value added financial stewardship that balances the goals of our business partners with the interests of those we serve

## Our Core Values: What guides our actions



### INTEGRITY

Ensuring that being trustworthy, fair, and ethical is the foundation of all we do



### EFFICIENCY

Carrying out our duties effectively; maximizing productivity



### EMPOWERMENT

Cultivating opportunities to grow and thrive; creating an enriching culture



### INNOVATION

Challenging the status quo; having ingenuity when faced with adversity



### COLLABORATION

Fostering relationships that are open and engaging; getting to "Yes"

# Facilities Map & Listings



## Aviation

- John F. Kennedy International Airport
- LaGuardia Airport
- Newark Liberty International Airport
- Stewart International Airport
- Teterboro Airport

## Bridges

- Bayonne Bridge
- George Washington Bridge
- Goethals Bridge
- Outerbridge Crossing

## Terminals

- Port Authority Bus Terminal
- George Washington Bridge Bus Terminal
- Journal Square Transportation Center

## Tunnels

- Holland Tunnel
- Lincoln Tunnel

## Port Commerce

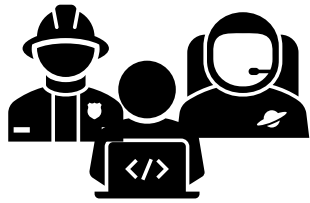
- Port Jersey-Port Authority Marine Terminal
- Brooklyn-Port Authority Marine Terminal
- Elizabeth-Port Authority Marine Terminal
- Howland Hook Marine Terminal
- Port Newark

## Port Authority Trans-Hudson

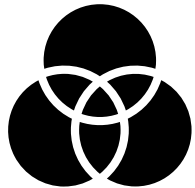
- PATH Rail Transit System
- Journal Square Transportation Center

## The World Trade Center

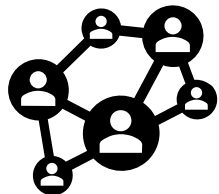
# Treasury - Risk Financing



**Assess and Evaluate Risk Exposures to the Port Authority**



**Review Projects and Scope of Work From a Risk Management and Mitigation Perspective**



**Coordinate with Client Department To Achieve a Full Risk Profile**

**Sabiha Rahman**

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**Senior Risk Analyst**  
**Treasury Risk Financing**

# Who We Are and What We Do



The mission of the Division is to provide financial protection due to loss or damage sustained under contract and for the protection of

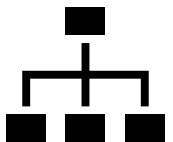


facilities and infrastructure owned by the Port Authority. We do this by providing Risk Transfer Strategies as listed below.



- > Review Contract Scope, Terms and Conditions

- > Conduct Project Risk Analysis



- > Issue Insurance Recommendations and Project Risk Strategies

- > Direct Contractual Risk Transfer Process To Safeguard The Port Authority

- > Educate Port Authority Staff on How We Protect the Agency



# To Learn More About Risk Financing

International Risk Management Institute -

<http://www.irmi.com>

Risk and Insurance Management Society -

<http://www.rims.org>

New York State Workers Compensation Board -

<http://www.wcb.ny.gov/>

New Jersey State Department of Labor and Work Force  
Development -

[https://www.nj.gov/labor/wc/employer/require/insure\\_index.html](https://www.nj.gov/labor/wc/employer/require/insure_index.html)

**Wayne Smith**



**Risk Analyst**  
**Treasury Risk Financing**

# Why the Port Authority Requires Insurance?

Balance Sheet Protection

Contractor Financial Protection

Ensure Project Completion

Worker Safety and Protection

# How Insurance Requirements Are Set



# Construction

Potential Requirements – Additional Requirements may be triggered based on scope of work

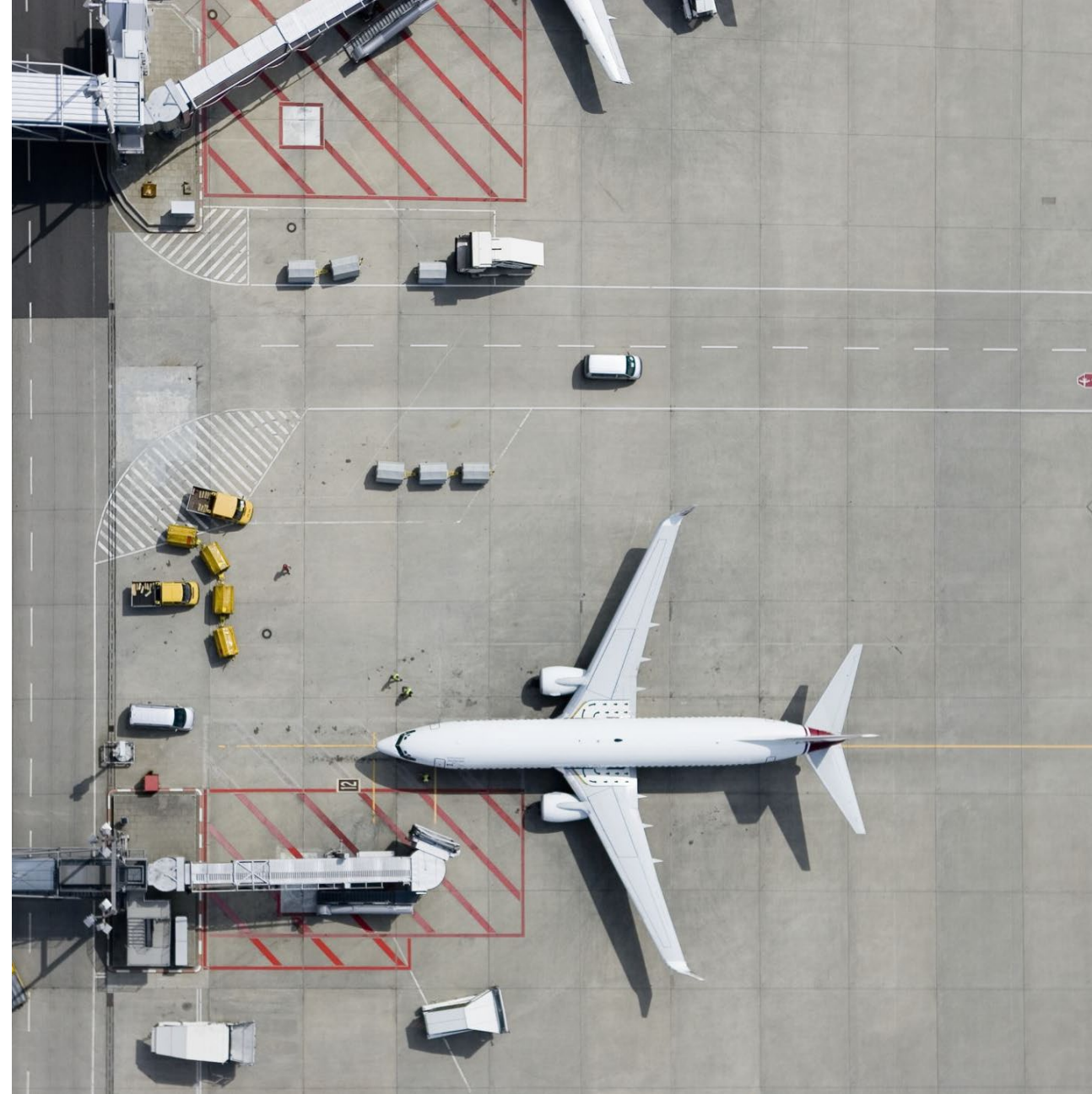
- General Liability
- Auto Liability
- Builder's Risk
- Worker's Compensation
- Environmental
- Owners and Contractors Protective



# Tenant Construction and Alteration Process

Potential Requirements Based on Lease or Tenant Agreement Terms and In Consultation with Risk Financing. Additional Requirements may be triggered based on scope of work.

- General Liability / Aviation
- Auto Liability
- Worker's Compensation
- Professional/E&O
- Environmental
- Owners and Contractors Protective





# Minor Works Application

Potential Requirements Based on Lease or Tenant Agreement Terms; which does not trigger a Building Code Review, and In Consultation with Risk Financing

- General Liability
- Auto Liability
- Worker's Compensation
- Professional Liability



# Certificate of Liability Insurance

## Example of COIs

- Insurance requirements to be carried by the Tenant and/or the Contractor for the project. (Note: The Tenant will be notified of any changes to the requirements that arise due to scope during the review of Contract Documents).
- Review of the TCAP Manual is required; if further clarification is necessary as it relates to understanding the Insurance requirements, contact Risk Financing.

SAMPLE		CERTIFICATE OF INSURANCE				date (mm/dd/yy)	
PRODUCER		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.					
VENDOR'S INSURANCE AGENCY		COMPANIES AFFORDING COVERAGE					
		COMPANY A XYZ Insurance Company					
INSURED		COMPANY B ABC Indemnity LLC					
VENDOR NAME		COMPANY C Allcounty Insurance Group					
VENDOR ADDRESS		COMPANY D NJ Joint Underwriters Network					
COVERAGES							
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS		
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GEN'L LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTR'S PROT/XCU <input checked="" type="checkbox"/> contractual liab.incl.		MM-DD-YY	MM-DD-YY	GENERAL AGGREGATE PRODUCTS- COMP / OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)	\$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000	
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>		MM-DD-YY	MM-DD-YY	COMBINED SINGLE LIMIT EA ACCIDENT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	\$ 1,000,000 \$ \$ \$	
	GARAGEKEEPERS DIRECT LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> PRIMARY COVERAGE				AUTO ONLY - EA. ACCIDENT OTHER THAN AUTO ONLY EACH ACCIDENT AGGREGATE	\$ 1,000,000 \$ 1,000,000 \$ \$	
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM		MM-DD-YY	MM-DD-YY	EACH OCCURRENCE AGGREGATE	\$ 4,000,000 \$	
D	WORKERS' COMP. AND EMPLOYERS' LIABILITY THE PROP/PARTNERS/ <input type="checkbox"/> INCL EXEC. OFFICERS ARE <input type="checkbox"/> EXCL		MM-DD-YY	MM-DD-YY	X STATUTORY LIMITS EACH ACCIDENT DISEASE - POLICY LIMIT DISEASE - EACH EMPLOYEE	\$ 1,000,000 \$ 1,000,000 \$ 1,000,000	
	PROFESSIONAL LIABILITY ENVIRONMENTAL LIABILITY					\$2,000,000 \$5,000,000	
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS							
"The Port Authority of New York & New Jersey and its wholly owned entities" are additional insureds on the above liability policies. Further, the liability policies above shall also endorsed: "The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority." Waiver of Subrogation applies in favor of additional insured with respects to Liability and Workers Compensation coverages.							
TAA NUMBER and Location _____.							
The issuing insurer shall mail 30 days written cancellation notice to the additional insured							
The Port Authority of New York & New Jersey (Port Authority Trans Hudson Corp for PATH facilities) Facility Address _____  Attn: Project Manager/Contract Administrator					CANCELLATION		
					SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS		
					AUTHORIZED SIGNATURE _____		



# What If I Can't Get That Insurance?

## Prime Contractor

- Reach out to the Port Authority
- Discuss Alternatives

## Sub Contractor

- Reach out to the Prime Contractor
- Discuss Risk Sharing

# Useful Links

- The Port Authority's [www.panynj.gov](http://www.panynj.gov)
- International Risk Management Institute:  
Glossary of Insurance Terms  
<https://www.irmi.com/glossary>
- TCAP Manual:  
<https://www.panynj.gov/content/dam/port-authority/business-opportunities/tcap/tcap-manual.pdf>
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# Questions

# Thank You!

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