

1 Q. Please describe how Hydro goes about procuring its insurance coverages.

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4 A. Hydro procures its insurance coverages as follows:

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- 6 • Through an RFP process, Hydro contracts with a broker, currently
7 AON Reed Stenhouse Inc. (AON), to provide insurance brokerage
8 services for all insurance policies/programs.
- 9 • A full remarketing is undertaken every three years, unless market
10 conditions dictate a full remarketing exercise is warranted sooner due
11 to coverage restrictions, unstable markets, service issues, and/or
12 premium escalations.
- 13 • Insurance policies/programs and premiums are negotiated on an
14 annual basis with incumbent insurers.
- 15 • Renewal applications are completed and forwarded to the broker
16 (AON) for distribution to all markets 90 days prior to the renewal date.
17 Based on the information contained in the applications, AON will
18 recommend renewal terms.
- 19 • 60 days prior to the renewal date, Hydro meets with all interested
20 markets to discuss its insurance requirements.
- 21 • 30 days prior to the renewal date, Hydro receives and assesses the
22 renewal proposals.
- 23 • Based on the assessment, Hydro awards the renewal placement
24 based on renewal terms and costs.