



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

**AGENDA TITLE: Property, Cyber and Workers' Compensation Insurance
Renewal**

MEETING DATE: June 22, 2016

PREPARED BY: Sally Lyon, Director of Finance and Administration

RECOMMENDED ACTION: Authorize the General Manager to sign and bind these policies. The property insurance is contracted with Aviation Marine Insurance Services, covering \$39,384,059 of property value with an annual premium of \$32,257. The Cyber insurance is also contracted with Aviation Marine Insurance Services with an aggregate limit of \$2 million with an annual premium of \$2,077. The Workers' Compensation is contracted with the Special District Risk Management Authority with an annual premium of \$52,741.11. Policy premiums are essentially the same as the prior year

DISCUSSION: Last year we moved the property insurance from Alliant to Aviation Marine. This resulted in a savings on the policy of slightly over \$10,000. Aviation Marine shops with multiple carriers, and is recommending National Hangar Insurance Program as the carrier. The policy amount has increased 1%, which is consistent industry wide. The Cyber coverage is through Travelers and has an increase of 33% from \$1501 to \$2,077. TTAD compared our Workers' Compensation policy through Aviation Marine against our current coverage through SDRMA. The policy costs were nearly identical. Staff is recommending staying with SDRMA as they have a robust safety training resources, and our longevity with them improves our modification factor.

FISCAL IMPACT: Policy premium are essentially the same as the prior year.

ATTACHMENTS:

- Policy summaries for National Hangar Insurance Program property renewal
- Travelers cyber renewal
- SDRMA workers' compensation renewal



National Hangar Insurance Program

P.O. Box 3142 Tulsa, OK 74101-3142 (800)999-6447 Fax (866)891-3881
Property Insurance Underwriting Survey

Code Key # _____

General Information

Exact Name of Applicant: Truckee Tahoe Airport District
Mailing Address of Applicant: 10356 Truckee Airport Road
City, State & Zip: Truckee CA 96161 Contact Name/Phone #: _____
Applicant's Business or Occupation: Airport Operator
Submitted Date _____ Effective Date: 07/01/15

Property Description & Coverage Schedule: (Must Be Completed) Location / Bldg. 2-35 10356 Truckee Airport Road & 10400 Reynolds Way, Truckee, CA 96161

	Total Bound 7/1/15	New Total
Building Value - BLANKET	28,495,625	
Your Business Personal Property - BLANKET	746,085	
Personal Property of Others		
Business Income	2,994,932 72 hr waiting period	
Tenants Improvements & Betterments		
Miscellaneous Equipment	3,582,549	
Employee Tools		
Earthquake - Inland Marine Only	1,000,000	
Flood - Inland Marine Only	1,000,000	
Fuel Tanks		
Fuel Farm	1,302,322	
Beacon Tower	34,852	
Dry Lake Beacon	85,194	
Bald Mountain Beacon	142,500	
Area in Square Feet		
Building Construction		
Sprinklered: Yes or No		
Year Built		

Deductible: Each Loss \$1,000 EXCEPT Wind/Hale \$2,500 Each Loss
Earthquake and Flood Deductible \$50,000 Ea. Loss.

PREMIUM \$32,257

Airport Name: Truckee Tahoe Identifier: KTRK
Address of Building/Property: 10356 Truckee Airport Road and 10400 Reynolds Way, Truckee, CA 96161
Alarm System: Yes / No Airport Fenced: Yes / No Fire Department: Yes / No
Tower: Yes / No - Hours
Repair, Service Work or Painting done in Hangar: Yes / No If Yes Describe: _____
Occupancy (Type of Contents kept in Building) _____
If Coverage Includes Fuel Tanks: ABOVE GROUND UNDERGROUND (Please Circle)
Name / Address of Mortgagee / Loss Payee / Additional Insured: (please circle which applies & give description of what it applies to)

Prior Insurance (Last 3 Years)

Policy Term: _____ Name of Company: _____ Policy Number: _____ Premium: _____
Policy Term: _____ Name of Company: _____ Policy Number: _____ Premium: _____
Policy Term: _____ Name of Company: _____ Policy Number: _____ Premium: _____

Loss Detail:

Agent's Comment & Recommendations:

Broker Name: Aviation Marine Insurance Services, Inc. Broker Code: _____
Area Code & Phone Number: 800-972-0907 Area Code & Fax Number: 888-945-1230

Signature of Applicant: [Signature] Date: 6/16/16



NATIONAL HANGAR INSURANCE PROGRAM

1300 S. Main | Tulsa, Oklahoma 74119 | (800) 999-6447 | (866) 891-3881

Wednesday, June 08, 2016

RENEWAL QUOTE

Code Key: 30943

Insured: Truckee Tahoe Airport District
Policy Number: 1G347594
Effective Date: 7/1/2016 **Expiration Date:** 7/1/2017
Insurance Company: Travelers Property Casualty Company of America (TIL)

Location Information

Loc #	Bldgs	Airport Name	Address	City	State
1	1-29	TRUCKEE TAHOE AIRPORT	10356 TRUCKEE AIRPORT ROAD	TRUCKEE	CA
2	30-32	TRUCKEE TAHOE AIRPORT	10400 REYNOLD WAY	TRUCKEE	CA

Exposure Information

Loc	Bldg	Coverage	Description	Value	Deductible	Rate	Premium	Protect Class	Construct Class	Building Area	Cost per Sq Ft
1	1	BUILDING		\$45,600	\$1,000	\$0.0846	\$39	05	NonC	800	\$57.00
1	2	BUILDING		\$138,913	\$1,000	\$0.0847	\$118	05	NonC	800	\$173.64
1	3	BUILDING		\$216,657	\$1,000	\$0.0847	\$183	05	NonC	3,801	\$57.00
1	4	BUILDING		\$373,680	\$1,000	\$0.0846	\$316	05	NonC	6,920	\$54.00
1	5	BUILDING		\$57,000	\$1,000	\$0.0842	\$48	05	NonC	1,000	\$57.00
1	6	BUILDING		\$285,000	\$1,000	\$0.0845	\$241	05	NonC	5,000	\$57.00
1	7	BUILDING		\$1,623,564	\$1,000	\$0.0847	\$1,375	05	NonC	9,350	\$173.64
		YBPP		\$100,976	\$1,000	\$0.0848	\$86	05	NonC	0	
1	8	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	9	BUILDING		\$300,055	\$1,000	\$0.0847	\$254	05	NonC	1,728	\$173.64
		YBPP		\$1,423	\$1,000	\$0.0661	\$1	05	NonC	0	
1	10	BUILDING		\$64,980	\$1,000	\$0.0840	\$55	05	NonC	1,140	\$57.00
1	11	BUILDING		\$760,034	\$1,000	\$0.0847	\$644	05	NonC	14,720	\$51.63
1	12	BUILDING		\$452,628	\$1,000	\$0.0846	\$383	05	NonC	8,382	\$54.00
1	13	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	14	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	15	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	16	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	17	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	18	BUILDING		\$1,548,982	\$1,000	\$0.0847	\$1,312	05	NonC	30,000	\$51.63
1	19	BUILDING		\$1,653,899	\$1,000	\$0.0847	\$1,401	05	NonC	32,032	\$51.63
1	20	BUILDING		\$2,080,798	\$1,000	\$0.0847	\$1,762	05	NonC	40,300	\$51.63
1	21	BUILDING		\$33,630	\$1,000	\$0.0839	\$28	05	NonC	590	\$57.00
1	22	BUILDING		\$19,950	\$1,000	\$0.0849	\$17	05	NonC	350	\$57.00
1	23	BUILDING		\$1,302,322	\$1,000	\$0.0847	\$1,103	05	NonC	7,500	\$173.64

Loc	Bldg	Coverage	Description	Value	Deductible	Rate	Premium	Protect Class	Construct Class	Building Area	Cost per Sq Ft
1	24	BUILDING		\$34,852	\$1,000	\$0.0837	\$29	05	NonC	675	\$51.63
1	25	BUILDING		\$85,194	\$1,000	\$0.0850	\$72	05	NonC	1,650	\$51.63
1	26	BUILDING		\$142,500	\$1,000	\$0.0845	\$120	05	NonC	2,500	\$57.00
1	27	BUILDING		\$1,248,476	\$1,000	\$0.0847	\$1,058	05	NonC	24,180	\$51.63
1	28	BUILDING		\$957,271	\$1,000	\$0.0847	\$811	05	NonC	18,540	\$51.63
1	29	BUILDING		\$6,969,844	\$1,000	\$0.0847	\$5,901	05	COMB	11,568	\$602.51
		YBPP		\$643,686	\$1,000	\$0.0846	\$545	05	NonC	0	
Subtotal:				\$30,435,806		\$0.0847	\$25,774				
2	30	BUILDING		\$261,284	\$1,000	\$0.0846	\$221	05	NonC	1,264	\$206.71
2	31	BUILDING		\$70,185	\$1,000	\$0.0845	\$59	05	NonC	1,050	\$66.84
2	32	BUILDING		\$39,303	\$1,000	\$0.0838	\$33	05	NonC	542	\$72.51
Subtotal:				\$370,772		\$0.0844	\$313				
ALL		BUSINESS INCO		\$2,994,932	72 Hours	\$0.0847	\$2,536	05	NonC	0	
		EARTHQUAKE	IM ONLY	\$1,000,000	\$50,000	\$0.0300	\$300	05	NONC	0	
		EQUIPMENT		\$3,582,549	\$1,000	\$0.0847	\$3,034	05	NonC	0	
		FLOOD	IM ONLY	\$1,000,000	\$50,000	\$0.0300	\$300	05	NonC	0	
Subtotal:				\$8,577,481		\$0.0719	\$6,170				
Property Total:				\$39,384,059		\$0.0819	\$32,257				

PREMIUM: \$32,257

Comments/Requirements:

TRAVELERS AM BEST RATING IS A++XV

We can offer renewal at the annual premium shown above. All deductibles are per the expiring policy. If you have any questions or changes, do not hesitate to call.

If this quote or policy has Flood coverage, property located in Zones A or V are Excluded.

Binding of coverage confirms all Named Insured's have an insurable interest in the policy.

Quote valid to 7/1/2016 at 12:01 AM. Policy term if bound is 12 months unless otherwise noted. In order to bind coverage we must receive a written request.

We appreciate your submission! Please call on us again!

Broker Name: Aviation Marine Insurance Services, I

Attention: Scott Gault

Broker Phone: (510) 530-4415

Broker Fax: (888) 945-1230





Wrap+®

Randi L DuLaney
10810 Executive Center Dr.
Suite 400
LITTLE ROCK, AR 72211
Phone: (501) 223-6735
Email: RDULANEY@travelers.com

June 10, 2016

HAL HUNT
GALLAGHERVA JIRMS
1300 S MAIN ST
TULSA, OK 74119

RE: Insured Name: TRUCKEE TAHOE AIRPORT DISTRICT
10356 TRUCKEE AIRPORT ROAD
TRUCKEE, CA 96161
Expiring Policy Number: 106327713
Policy Period: July 1, 2016 to July 1, 2017

Dear HAL HUNT:

On behalf of **Travelers Casualty and Surety Company of America** we are pleased to provide the attached proposal of insurance for your review.

The quotes contained in this document are valid until the expiration of your current policy, and are subject to the provision of, and Travelers' review and acceptance of, the required underwriting information noted in the Contingencies section. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on review of the required underwriting information or based on adverse change in the risk(s) to be insured prior to the quote expiration date noted in this document.

Please note that we require a response to this document prior to expiration of the Insured's current policy in order to facilitate policy renewal. The insured's current policy will expire and not be renewed in the absence of a request, and Travelers' agreement, to bind coverage.

Travelers is pleased to offer Risk Management PLUS+ Online®, the industry's most comprehensive program for mitigating your management liability exposures, which is available to you at no additional cost. Please visit www.rmplusonline.com to view the services that are available. If you have additional questions about the site please contact your Underwriter.

Travelers Casualty and Surety Company of America, a subsidiary of The Travelers Companies, Inc., has consistently earned high ratings for financial strength and claims-paying ability from independent rating services, including a current A.M. Best rating of A++*. Founded in 1853, The Travelers Companies, Inc. is a Fortune 500 company, a component of the Dow Jones Industrial Average, and a leading provider of property casualty insurance for businesses.

Thank you for considering Travelers for your client's insurance coverages. We look forward to discussing this opportunity with you.

Sincerely,

Randi L DuLaney
Travelers Bond & Specialty Insurance

*A.M. Best's rating of A++ applies to Travelers Casualty and Surety Company of America as well as to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of May 2014, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.

Travelers Management Liability - Global Risk Update



What's the issue?

The international regulatory landscape is growing in complexity with an increased focus on **foreign non-admitted insurance** laws. Regulators have become more active in monitoring compliance with these laws, having an impact on insurers, insureds, and brokers. As the business operations and associated insurance risks of Travelers' insureds continue to expand outside of the United States, attention to these laws, which vary from country to country, is increasingly important.

In an effort to clearly address these legal challenges, Travelers will be adding the Global Coverage Compliance Endorsement to primary Management Liability policies that extend coverage beyond the United States.

Foreign non-admitted insurance refers to insurance that provides coverage for persons, companies, and property located in a foreign jurisdiction in which the issuing insurer is not licensed or otherwise authorized by the local regulatory authority to provide insurance.

What are the key endorsement features?

This endorsement will:

1. Clarify that Travelers cannot legally pay claims in foreign jurisdictions when foreign non-admitted insurance laws prohibit such payments;
2. Clarify Travelers' inability to provide insurance in the event that doing so would violate an applicable trade and economic sanctions law; and
3. Add "**Financial Interest**" coverage, which provides a solution in those foreign jurisdictions where Travelers is not legally permitted to provide coverage to a foreign insured organization, but is able to make payment in the U.S. based on the U.S. named insured's interest in the foreign insured organization.

Under the "**Financial Interest**" coverage, payment is made to the first named insured in the U.S. for the covered loss sustained by the foreign entity. Financial Interest coverage recognizes that a loss sustained by a foreign insured organization impacts the balance sheet of the U.S. named insured, and the payment made in the U.S. to the first named insured is the full amount of the otherwise covered loss.

In situations where a foreign country's non-admitted insurance restrictions would not permit "Financial Interest" coverage, such as for losses sustained by foreign individuals that are not indemnified by an insured organization, including Side-A losses under a Directors & Officers (D&O) policy, Travelers can help procure a local policy. Travelers has the ability to place locally admitted D&O policies in over 100 countries.

How is this helpful to you and your customers?

The goal in attaching this new endorsement is to be transparent about Travelers' intent to remain compliant with foreign non-admitted insurance and trade and economic sanctions laws. With the "Financial Interest" coverage provided in this endorsement, Travelers has an express contractual obligation to pay the first named insured in the U.S. when the loss is sustained by a foreign insured organization in a country that prohibits non-admitted insurance.

Who should I contact for more information?

To learn more, please contact your local Travelers underwriter.

Duty to Defend

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$2,077.00	\$0.00	\$0.00	\$2,077.00	\$2,077.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

CYB-2001-0710 CyberRisk Declarations
CYB-3001-0710 CyberRisk Policy

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

ACF-7006-0511 Removal of Short-Rate Cancellation Endorsement
AFE-19004-0115 Cap on Losses From Certified Acts of Terrorism Endorsement
AFE-19008-0115 Federal Terrorism Risk Insurance Act Disclosure
CYB-19001-0112 Replace Exclusion III. A. 8 Endorsement
CYB-19004-0313 Fines and Penalties and Consumer Redress Funds Endorsement
CYB-19019-0715 Privacy Policy Endorsement
CYB-7000-0710 Amend Definition of Network and Information Security Wrongful Act

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

None

QUOTE NOTES:

Will need renewal application.

NOTICES:

It is the agent's or broker's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security 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.

Travelers Casualty and Surety Company of America
QUOTE OPTION #1

CYBER COVERAGE:

Third Party Liability Insuring Agreements	Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
A. Network and Information Security	\$2,000,000 for each Claim	\$25,000 for each Claim	07/01/2015	07/01/2015
B. Communication and Media Liability	\$2,000,000 for each Claim	\$25,000 for each Claim		
C. Regulatory Defense Expenses	\$1,000,000 for each Regulatory Claim	\$10,000 for each Regulatory Claim		

CyberRisk Retroactive Date: 07/01/2015

First Party Insuring Agreements	Limit of Insurance	Retention
D. Crisis Management Event Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
E. Security Breach Remediation and Notification Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
F. Computer Program and Electronic Data Restoration Expenses	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
G. Computer Fraud	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
H. Funds Transfer Fraud	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
I. E-Commerce Extortion	\$1,000,000 for each Single First Party Insured Event	\$10,000 for each Single First Party Insured Event
J. Business Interruption and Additional Expenses	Not Covered for each Single First Party Insured Event	

CyberRisk Waiting Period (hours): with respect to Insuring Agreement J: N/A

TOTAL ANNUAL PREMIUM - \$2,077.00

(Other term options listed below, if available)

LIMIT DETAIL:

Shared Additional Defense Limit of Liability: N/A
CyberRisk Policy Aggregate Limit: \$2,000,000

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Cyber Coverage:

Additional Premium Percentage: 75%
Additional Months: 12

Run-Off Extended Reporting Period for Cyber Coverage:

Additional Premium Percentage: N/A
Additional Months: N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Workers' Compensation Program Invoice



Program Year 2016-17
Annual (July 1 - June 30)

May 12, 2016
Invoice #: 53299
Member #: 5053

Truckee Tahoe Airport District

10356 Truckee Airport Road
Truckee, California 96161-3311

Description	Amount
Estimated Annual Adjusted Contribution	\$55,625.11
Less: Longevity Distribution Credit	(\$2,809.00)
Less: 5% Multi-Program Discount	\$0.00
Less: MemberPlus Online RQ Bonus	(\$75.00)
Net Estimated Annual Contribution	<u>\$52,741.11</u>

Total Contribution Amount Due by July 15:

\$52,741.11

Please Return This Copy
With Your Payment

Please pay in full by the due date if not, a late charge of one percent (1%) per month, twelve (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment.

Please return BLUE COPY with your payment. For invoice questions call the SDRMA Finance Department. See reverse side for detailed information.



Computation of Estimated Workers' Compensation Contribution



Program Year 2016-17
Annual (July 1 - June 30)

Invoice Date: 05/12/2016
Member Number: 5053

Truckee Tahoe Airport District

Class Code	Classification Description	Reported Payroll	Manual Rate per \$100	Annual Contribution
6220	Heavy Equipment Operator	\$5,000	\$5.89	\$294.50
7429	Airport Operations	\$1,050,000	\$7.24	\$76,020.00
8742-P **	Agency Directors	11	\$21.19	\$233.09
8810	Clerical	\$191,000	\$0.57	\$1,088.70
9410	Municipal/County, Non-Manual	\$264,000	\$1.97	\$5,200.80

** Indicates number of directors and per capita rate

Total Estimated Annual Contribution Based on Manual Rates	\$82,837.09
Contribution as Adjusted by the Experience Modification Factor of 79%	\$65,441.30
Less: *15% Credit Incentive Program Discount	(\$9,816.20)
Estimated Annual Adjusted Contribution	\$55,625.11
Less: Longevity Distribution Credit	(\$2,809.00)
Less: 5% Multi-Program Discount	\$0.00
Less: MemberPlus Online RQ Bonus	(\$75.00)
Net Estimated Annual Contribution	\$52,741.11

Total Contribution Amount Due by July 15: \$52,741.11

* 15% CIP is advanced for purposes of calculating estimated annual invoices, actual CIP earned has been applied to year end audit.