



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

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

MEETING DATE: June 28, 2017

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 \$41,583,025 of property value with an annual premium of \$59,027. The Cyber insurance is also contracted with Aviation Marine Insurance Services with an aggregate limit of \$2 million with an annual premium of \$2,352. The Workers' Compensation is contracted with the Special District Risk Management Authority with an annual premium of \$55,784. The property policy is an increase of 55%, a combination of increased property values and an increase in light of the recent claim for Hangar 2. The other two policies premiums have small increases compared to the prior year. All three policies run from July 1, 2017 to July 1, 2018.

DISCUSSION: With the collapse of Hangar 2 and resulting claim with Travelers this winter we reevaluated the building values, especially the hangars, and increased the building values from \$28,500,000 to \$41,600,000 to better reflect a more realistic value. Additionally, the previous year quote did not include the Clear Capital Office Building. This resulted in an increase of the policy from \$33,000 to \$59,000. This policy is a blanket policy up to the total insured value. The cyber policy is an increase of 14% and offers additional business interruption coverage this year. The Workers Comp policy is calculated based on payroll. Staff recommends binding these policies this year but intends to shop these policy renewals next year.

FISCAL IMPACT: The policy premiums are listed above in the first paragraph for a total cost of \$117,324. The increases will push insurance costs about \$7,000 over budget the September 30,

2017 budget. Staff will be presenting the budget extension to December 31, 2017 at an upcoming meeting in July or August and insurance expense will reflect these increased costs.

ATTACHMENTS:

Commercial Property Renewal

Cyber Liability

Coverage and Workers' Compensation Program Invoice.