



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

AGENDA TITLE: Approval of Annual Insurance Renewals

MEETING DATE: July 27, 2022

PREPARED BY: Kelly Woo, Director of Finance and Administration

RECOMMENDED ACTION: Authorize the General Manager to sign and bind these policies. Aviation Marine Insurance Services brokers our Liability, Property, Auto, Cyber and Workers Comp Insurance. The property insurance carrier is Preferred Aviation Underwriters providing \$100,000,000 of property, equipment, earthquake, and flood coverage with an annual premium of \$148,962. The Cyber insurance carrier is Travelers Insurance, and the policy has an aggregate limit of \$2 million with an annual premium of \$7,135. The Workers Compensation premium through Beacon Insurance has an annual premium of \$53,037. These three policies run from July 1, 2022 to July 1, 2023. The Liability Insurance through AIG Aerospace was renewed in January (1/15/22-1/15/23) and was increased to \$50 million in coverage at the board meeting for a cost of \$34,592 in total. Auto Insurance through Chubb Insurance renewed in April (4/1/22 – 4/1/23) at \$12,668. Public Official liability insurance is brokered by Alliant and the carrier is Indian Harbor Insurance Company. The policy has an aggregate limit of \$5 million and the premium is \$22,436 which runs 8/1/22 - 8/1/23.

DISCUSSION: The property policy has an increase of 50%, a combination of updated market/property values, addition of business interruption coverage and an insurance market that has endured major natural disasters in recent years. This resulted in an increase of the policy from \$99,175 to \$148,962. This policy is a blanket policy up to the total insured value.

The Cyber policy has an increase of 23% due to an increase in individual event limits to \$2,000,000 and increase in coverage due to new cyber security threats. The cyber policy again offers additional business interruption coverage this year.

| Policy Type | Coverage Dates | 2021 Premium | 2022 Premium | \$ Change | % Change | 2022 Budget | 2022 Premium Variance to Budget |
|-------------------------------------|-------------------|--------------|--------------|------------|----------|-------------|---------------------------------|
| Liability Insurance | 1/15/22 - 1/15/23 | 21,328.00 | 34,592.00 | 13,264.00 | 62% | 24,800.00 | 9,792.00 |
| Property Insurance | 7/1/22 - 7/1/23 | 99,175.00 | 148,962.00 | 49,787.00 | 50% | 138,000.00 | 10,962.00 |
| Auto Insurance | 4/1/22 - 4/1/23 | 12,157.00 | 12,668.00 | 511.00 | 4% | 15,000.00 | (2,332.00) |
| Cyber Insurance | 7/1/22 - 7/1/23 | 5,779.00 | 7,135.00 | 1,356.00 | 23% | 6,000.00 | 1,135.00 |
| Workers Compensation Insurance | 7/1/22 - 7/1/23 | 54,741.00 | 53,037.00 | (1,704.00) | -3% | 55,000.00 | (1,963.00) |
| Public Official Liability Insurance | 8/1/22 - 8/1/23 | 23,083.00 | 22,436.00 | (647.00) | -3% | 23,000.00 | (564.00) |
| Total | | 216,263.00 | 278,830.00 | 62,567.00 | 29% | 261,800.00 | 17,030.00 |

FISCAL IMPACT: The policy premiums are listed above in the first paragraph for a total cost of \$278,830.

ATTACHMENTS:

2022 Insurance Summary