



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

**AGENDA TITLE: 2024 Property Insurance Renewal**  
**MEETING DATE: June 26, 2024 – Special Meeting**  
**PREPARED BY: Kelly Woo, Director of Finance and Administration**

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**Recommended Action:** Award contract for property insurance with a qualified insurance carrier(s) to meet the July 1, 2024, renewal requirement.

**DISCUSSION:** The District property insurer through American International Group (AIG) has chosen not to renew our policy. The current policy period is 7/1/2023 – 7/1/2024.

Aviation Marine, our current broker, has found only one option through Lloyds and management has requested additional quotes from both Special District Risk Management Authority (SDRMA) and Aviation Specialty Insurance. A comprehensive comparable chart is below in Table 1.

The quote from Lloyds is \$595,000, with a per occurrence limit of \$10,000,000. The expiring AIG policy was \$176,000 with no per occurrence limit, but similar sublimit values.

SDRMA (Special District Risk Management Authority), who the District has used in the past, is working on a quote for us. As of 6/25/24 they have sent all our documentation to the underwriters for potential approval, but we do not expect a full quote until early July 2024. To switch to SDRMA we would also have to convert our Property, Liability and Auto policies over to SDRMA, join SDRMA and contract for three years. We can review this quote, once obtained, at the July 26, 2024, regular board meeting.

Another option was Aviation Specialty Insurance. As of 6/25/24 they notified the District that they use Preferred Aviation for property coverage, however, they are not offering the District terms. They have exhausted all other options and are unable to present a quote.

The fire danger in our area and statewide is a large part of the cause for non-renewal in addition to the winter snow load damage sustained to our hangers in 2023 and in years past.

Table 1

<b>Truckee Tahoe Airport District Summary of Insurance Policies:</b>							
<b>Policy</b>	<b>Policy Dates</b>	<b>Annual Premium</b>	<b>Broker</b>	<b>Carrier</b>	<b>Limits</b>	<b>Value</b>	<b>Deductible</b>
Liability/Hangarkeeper	1/1/24 - 1/1/25	\$43,111.00	Aviation Marine	AIG	\$50,000,000.00		\$10,000.00
Workers Compensation Insurance	4/1/24 - 4/1/25	\$74,585.00	Aviation Marine	AmTrust Financial	\$1,000,000.00		\$0.00
Auto Insurance	4/1/24 - 4/1/25	\$28,118.12	Aviation Marine	Chubb	\$1,000,000.00		\$500.00
Cyber Insurance	4/1/24 - 4/1/25	\$10,810.00	Aviation Marine	Travelers	\$2,000,000.00		\$20,000.00
Directors & Officers Insurance	8/1/23 - 8/1/24	\$27,063.69	Alliant Insurance Services	Indian Harbor Insurance Company	\$5,000,000.00		\$10,000.00
Property Insurance	7/1/23 - 7/1/24	\$176,724.00	Aviation Marine	AIG	\$107,000,000.00	\$107,000,000.00	\$10,000.00
<b>Options to replace non-renewing AIG Property Insurance:</b>							
<b>Policy</b>	<b>Policy Dates</b>	<b>Annual Premium</b>	<b>Broker</b>	<b>Carrier</b>	<b>Limits</b>	<b>Value</b>	<b>Deductible</b>
Property Insurance	7/1/24 - 7/1/25	\$595,000.00	Aviation Marine	Lloyds of London	\$10,000,000.00	\$107,373,358.00	\$100,000.00
Property Insurance	7/1/24 - 7/1/25		Special District Risk Management Authority	SDRMA Direct			
Liability Insurance	7/1/24 - 7/1/25		Special District Risk Management Authority	SDRMA Direct			
Auto Insurance	7/1/24 - 7/1/25		Special District Risk Management Authority	SDRMA Direct			
Total SDRMA							
<b>***If we move to SDRMA, we would have to move Liability and Cyber coverage from Aviation Marine to SDRMA in addition to Property as a bundle plan.</b>							

**Fiscal Impact:** \$595,000, which is \$219,000 more than previously budgeted for the District property insurance.

**Board Recommended Action:** Move to (Approve / Deny) the general manager to engage Lloyds and their underwriters for \$595,000, as presented, for Truckee Tahoe Airport District property insurance from July 1, 2024, to July 1, 2025.

Attachments:

- Lloyds Policy Summary
- Lloyds Property Insurance Policy