



MEETING DATE: December 3, 2014
TO: Board of Directors
FROM: Sally Lyon, Director of Finance and Administration
SUBJECT: Liability Insurance Renewal

RECOMMENDATION: Authorize the General Manager to contract with Aviation Marine Insurance Services for Airport Liability Insurance with a limit of liability of \$35 million through National Union Fire Insurance, a division of Chartis. The policy term offered is two years, January 15, 2014 – January 15, 2016 with annual premiums in each year of \$15,000.

DISCUSSION: The District received one proposal aside from the National Union/Chartis renewal quote: ACE-USA (\$20,500). ACE-USA is rated “A+,” by A. M. Best, while National Union/Chartis is rated “A”. Chartis showed what the premium amount would be for alternate liability limits of \$40 and \$50 million. Staff does not believe the District needs to consider raising the limit at this time.

According to Roger Gault, the broker with Aviation Marine, the market for airport liability coverage seems to have tightened slightly. His firm contacted four other carriers, which declined to quote. They are listed on the attached table.

Mr. Gault noted that the District’s premium had reduced every year between the 2007-08 policy – when it was \$42,750 and the 2013-14 policy at \$15,000.

Note that this policy does not cover air shows. As the Air Fair next summer includes “acts,” an endorsement will have to be obtained

FISCAL IMPACT: The premium for the policy recommended by staff is within the budgeted amount. The fact that the premium is guaranteed for the two year period has value to the District.

PUBLIC COMMUNICATIONS: Not applicable

ATTACHMENTS: Detail of quotes from Aviation Marine Insurance Services, Inc.

TRUCKEE TAHOE AIRPORT DISTRICT
AIRPORT LIABILITY INSURANCE RENEWAL QUOTES
 January 15, 2015 – January 15, 2016

	National Union Fire Ins. (AIG) 2014	National Union Fire Ins. (AIG)	ACE-USA	Declined:
Best Rating	A	A	A+	Phoenix Aviation W. Brown & Assoc. Allianz Aviation USAIG
Financial Size Standard & Poor's	XV	XV	XV	
Annual Premium	\$15,000	\$15,000 2 ND year of 2-yr term	\$20,500 Per year – 3-year term	
Limit of Liability	\$35,000,000	\$35,000,000 Alt. \$40M = \$16,600 Alt. \$50M = \$19,200	\$35,000,000	
Premises & Operations	Included Ded: NIL	Included Ded: NIL	Included Ded: NIL	
Products / Completed Operations	Included*	Included*	Included*	
Hangarkeepers Liability	Included Ded: NIL	Included Ded: NIL	Included Ded: NIL	
Personal and Advertising Injury Liability	Included*	Included*	Included*	
Independent Contractors	Included*	Included*	Included*	
Premises Medical	\$25,000 Each Person	\$25,000 Each Person	\$25,000 Each Person	
Medical Malpractice	Included*	Included*	Included*	
Fire Damage Legal Liability	\$250,000 Any One Fire	\$250,000 Any One Fire	\$100,000 Any One Fire	
Non-Owned A/C Liability	Included	Included	Included	
Annual Premium	\$15,000	\$15,000	\$20,500	
War/TRIA Coverage	Not Purchased	\$ 1,200	\$415	

*Annual Aggregate

Quote submitted 11-22-13 – valid for 30 days & subject to no losses prior to renewal

Aviation Marine Insurance Services, Inc. 5707 Redwood Rd., #1, Oakland, CA 94619 Tel: 800-972-0907

CA DOI License Number - 0673107