

SPECIAL PROPERTY INSURANCE PROGRAM (SPIP)

July 1, 2012 – July 1, 2013 Truckee Tahoe Airport District EXECUTIVE SUMMARY

We are pleased to provide you with the 2012–2013 Public Entity Property Insurance Program (PEPIP) attached renewal material.

The property market has been firming in 2012 due to the significant worldwide catastrophic activity in 2011 including: the Tōhoku Earthquake in Japan; spring Tornados in the U.S. including those in early 2012; Thailand flooding; the New Zealand Earthquake; and Hurricane Irene. These events and the associated drain on insurer capital have resulted in market responses ranging from moderate to strong rate increases. Understanding the difficult economic environment our Public Entity clients are operating in, we have aggressively marketed the program to provide members with the best terms and rates possible. We believe that PEPIP terms, conditions and pricing for the 2012 renewal season remain the best available for the large majority of Public Entity members.

Lexington (Best Rated A XV) will continue to provide the primary layer of property insurance coverage with a \$25,000,000 Limit. Excess limits will be placed with London, Bermudian, European and U.S Domestic markets (Best Rated minimum of A- VII) up to a limit of \$1,000,000,000. Members should note several key highlights for this year’s renewal:

- Maintain current sublimits with some minor form changes (see Page 2 for details)
- Optional coverage for “Upgrade to Green” building coverage maintained
- Boiler & Machinery for participating members of the PEPIP Boiler Program maintained. Jurisdictional inspections will be performed either by the incumbent CNA or Hartford Steam Boiler (HSB)
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd’s (for those members eligible)

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2012-2013 policy year property valuations will continue to be a key focus. As a reminder, it is our intent to have all buildings with a scheduled value of \$5,000,000 or more appraised every five years to seven years. This service is included in your total annual cost. You may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Year-over-Year Rate and Premium Comparison

<u>Truckee Tahoe Airport District</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u> (at 02/01/2012)	<u>12-13</u>	<u>Variance</u>
Total Insurable Values:	\$ 25,536,665	\$ 25,732,793	\$ 33,842,253	\$ 33,361,287	-1.42%
Account Rate (per hundred dollars):	0.1457590	0.1490316	0.1514645	0.1702482	12.40%
Earthquake TIV:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 37,222	\$ 38,350	\$ 51,259	\$ 56,797	10.80%

* Total Annual Cost includes Premiums, Surplus Lines Taxes & Fees, Appraisal and Loss Prevention Inspection Fees

Major Coverage Changes effective 7/01/12

<u>Item</u>	<u>11-12 Coverage or Sublimit Per Occurrence</u>	<u>12-13 Coverage or Sublimit Per Occurrence</u>	<u>Status</u>
Increased Cost of Construction	...The Maximum amount of additional insurance by this policy which results from the above referenced 12 month period is not-to-exceed 20% of the amount of the physical damage loss or \$25,000,000 whichever is greater from which this additional loss results.	...The Maximum amount of additional insurance by this policy which results from the above referenced <u>6</u> month period is not-to-exceed 20% of the amount of the physical damage loss or \$25,000,000 whichever is greater from which this additional loss results.	Final
Flood	Definition of Flood does not include ensuing loss or damage not otherwise excluded	Definition of Flood does not include ensuing loss or damage <u>by fire, explosion, or sprinkler leakage</u>	Final
Earthquake	Definition of Earthquake does not include ensuing loss or damage not otherwise excluded	Definition of Earthquake does not include ensuing loss or damage <u>by fire, explosion, or sprinkler leakage</u>	Final
Subrogation	Under certain circumstance, a waiver of subrogation can be made after the loss	Waiver of subrogation must be made before loss occurs	Final
Jurisdictional Boiler Inspections	CNA provides jurisdictional inspections on objects for members that purchase B&M coverage in PEPiP	CNA or HSB will jurisdictional inspections on objects for members that purchase B&M coverage in PEPiP	Final decision on CNA or HSB pending

Thank you for your continued support of PEPiP. We look forward to working with you this next year. Please let us know if you have any questions about your Renewal Proposal.

Alliant Insurance Services
 May 2012



**ALLIANT INSURANCE SERVICES, INC.
SPECIAL PROPERTY INSURANCE PROGRAM (SPIP)**

PROPERTY PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

PROGRAM: Special Property Insurance Program (SPIP)

NAMED INSURED: Truckee Tahoe Airport District

DECLARATION: 8-Districts

POLICY PERIOD: July 1, 2012 to July 1, 2013

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 33,361,287 as of May 31, 2012

**ALL RISK
COVERAGES &
LIMITS:**

\$	50,000,000	Per Occurrence: All Perils, Coverages (subject to policy exclusions) and Insureds/Members combined, subject to the following per occurrence and/or aggregate sub-limits as noted.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
	Not Covered	Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A , V, and all other 100 year exposures. This Sublimit does not increase the specific flood limit of liability for those Members(s)/Entity(ies) that purchase this optional dedicated coverage.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)
\$	50,000,000	Combined Business Interruption, Rental Income and Tax Interruption and Tuition Income (and related fees) - except \$500,000 per Member/Entity subject to maximum of \$2,500,000 Per Occurrence limit if specific values for such coverage have not been reported as part of the Member(s)/Entity(ies) schedule of values held on file with Alliant Insurance Services, Inc. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense

2012-2013 Special Property Insurance Program (SPIP) Property Proposal
 Truckee Tahoe Airport District

\$	25,000,000	Miscellaneous Unnamed Locations for existing Members Excluding Earthquake coverage for Alaska and California Members. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
See Policy Provisions		\$25,000,000 Automatic Acquisition up to \$100,000,000 or a member's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sublimit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sublimit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item
\$	5,000,000	Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item. Higher limits available for members with scheduled values greater than \$5,000,000 for an additional premium with underwriting approval
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sublimit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval
\$	2,500,000	Money & Securities for named perils only as referenced within the policy
\$	2,500,000	Unscheduled Fine Arts
\$	250,000	Accidental Contamination per occurrence and annual aggregate per member with \$500,000 annual aggregate for all insureds / members per declaration
\$	500,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)

2012-2013 Special Property Insurance Program (SPIP) Property Proposal
 Truckee Tahoe Airport District

\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
\$	25,000,000	Transit
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
\$	2,500,000	Unscheduled Watercraft up to 27 feet
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
\$	5,000,000	Per Occurrence and Annual Aggregate for Earthquake shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Earthquake coverage
\$	5,000,000	Per Occurrence and Annual Aggregate for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Flood coverage
\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
\$	1,000,000	Claims Preparation Expenses
\$	50,000,000	Expediting Expenses
\$	1,000,000	Personal Property Outside of the USA
\$	100,000,000	Per Member/Entity Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 17, 18, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)
	Not Covered	Per Member/Entity for Terrorism (Excess Layer) subject to;
	Not Covered	Per Occurrence, All Members combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34 for Terrorism (Excess Layer) subject to;
	Not Covered	Annual Aggregate shared by all Members/Entities combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.

- VALUATION:**
- Repair or Replacement Cost
 - Actual Loss Sustained for Time Element Coverages
 - Contractor’s Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS
 (Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

“ALL RISK”

DEDUCTIBLE: \$ 5,000 Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

- Not Covered Per Occurrence for Flood Zones A & V
- Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V
- Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
- \$ 1,000 Per Occurrence for Specially Trained Animals
- \$ 500,000 Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
- \$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Earthquake for members who do not purchase dedicated Earthquake limits
- \$ 50,000 Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Earthquake for members who do not purchase dedicated Earthquake limits
- \$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Flood for members who do not purchase dedicated Flood limits
- \$ 50,000 Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Flood for members who do not purchase dedicated Flood limits

2012-2013 Special Property Insurance Program (SPIP) Property Proposal
 Truckee Tahoe Airport District

24 Hour Waiting Period for Service Interruption for All Perils and Coverages

2.5% of Annual Tax Value per Location for Tax Interruption

Not Covered Vehicle Physical Damage

Vehicle Valuation Basis

\$ 5,000 Per Occurrence for Contractor's Equipment

\$ 5,000 Per Occurrence for Primary Terrorism

Not Covered Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

TERMS & CONDITIONS:

25% Minimum Earned Premium and cancellations subject to 10% penalty

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

OPTION 1 - PER EXPIRING ALL RISK DEDUCTIBLE @ \$5,000	
Annual Cost*	
Total Property Premium:	\$ 53,193
Excess Boiler:	\$ 385
ABS Fee:	\$ 1,485
SLT&F's (Estimate)	\$ 1,734
Broker Fee:	\$ 0
TOTAL COST: (Including Taxes and Fees)	\$ 56,797
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	

OPTION 2 - HIGHER ALL RISK DEDUCTIBLE @ \$10,000	
Annual Cost*	
Total Property Premium:	\$ 51,299
Excess Boiler:	\$ 347
ABS Fee:	\$ 1,419
SLT&F's (Estimate)	\$ 1,672
Broker Fee:	\$ 0
TOTAL COST: (Including Taxes and Fees)	\$ 54,737
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

QUOTE VALID

UNTIL: July 1, 2012

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

Matt McManus, Broker

Jo Anne M. Roque, AIS
Account Manager Lead, Team Lead

NOTES:

- **Major pending and approved changes to the PEP/IP Program are described in the Executive Summary.**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized**
- **Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

**Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.*

Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in your state, visit the Department of Insurance website of that state.



**ALLIANT INSURANCE SERVICES, INC.
SPECIAL PROPERTY INSURANCE PROGRAM (SPIP)**

BOILER & MACHINERY PROPOSAL

PROGRAM: Special Property Insurance Program (SPIP)

NAMED INSURED: Truckee Tahoe Airport District

POLICY PERIOD: July 1, 2012 to July 1, 2013

COMPANIES: See attached list of Companies

TOTAL INSURED VALUES: \$ 33,361,287 as of May 31, 2012

STATUS/RATING: See attached list of Companies for Best’s Guide Ratings, Admitted Status and Standard & Poor’s Ratings.

COVERAGES & LIMITS:

\$	50,000,000	Boiler Explosion and Machinery Breakdown, (for those Member(s)/Entity(ies) that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
	Included	Inspection Services
\$	10,000,000	Per Occurrence for Utility Interruption for Utilities owned by others
\$	10,000,000	Per Occurrence for Ammonia Contamination
\$	10,000,000	Per Occurrence for Water Damage
\$	10,000,000	Per Occurrence for Consequential Damage
\$	10,000,000	Per Occurrence for Electronic Data Processing Media
\$	2,000,000	Per Occurrence, Per Member/Entity and in the Annual Aggregate per declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage
\$	1,000,000	Per Occurrence for Hazardous Substance
	Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

NAMED INSURED CLAUSE: Named Insured covers entities you acquire or in which you have 50% or more ownership or contractual control prior to loss

**NEWLY ACQUIRED
LOCATIONS:**

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATION:

Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS

(Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED:

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

NOTICE OF

CANCELLATION:

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

\$ 10,000 Except as shown for Specific Objects or Perils
\$ 10,000 Electronic Data Processing Media
\$ 10,000 Consequential Damage
\$ 10,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface
\$ 50,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface
\$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface
\$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface
\$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface

\$ 10 per foot / \$2,500 Minimum Deep Water Wells

24 Hours Business Interruption/Extra Expense Except as noted below

30 Days Business Interruption – Revenue Bond

24 Hour Waiting period – Utility Interruption

5 x 100% of Daily Value – Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface

5 x 100% of Daily Value – Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

	Annual Cost*
COST:	Cost is included on Property Proposal

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BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

Matt McManus, Associate Producer

Sheryl L. Fitzgerald
Account Manager

NOTES:

- **Major pending and approved changes to the PEP/IP Program are described in the Executive Summary.**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized**
- **Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

**Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.*

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A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in your state, visit the Department of Insurance website of that state.



SPECIAL PROPERTY INSURANCE PROGRAM (SPIP)

2012-2013

NAMED INSURED – MEMBER SCHEDULE

AS OF 05/31/2012

MEMBER: Truckee Tahoe Airport District
10356 Truckee Airport Road
Truckee, CA 96161

NAMED INSURED:
Truckee Tahoe Airport District

First Named Insured Member shall be deemed the sole agent of each and every named insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.



ALLIANT INSURANCE SERVICES

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

May 31, 2012

Member: **Truckee Tahoe Airport District**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, 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 an air carrier or vessel 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. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2014, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.



ALLIANT INSURANCE SERVICES

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

WHAT YOU NEED TO DO NOW:

PLEASE "X" ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE BROKER.

<input type="checkbox"/>	I am interested in receiving a quote for Terrorism coverage as required to be offered under the Act. Please provide me with a quote.
<input type="checkbox"/>	I decline to purchase the Terrorism coverage as required to be offered under the Act.

Policyholder/applicant signature

Print Name

Date

Truckee Tahoe Airport District



ALLIANT INSURANCE SERVICES, INC.
1301 Dove Street Suite 200 Newport Beach, CA 92660

NAMED INSURED: Truckee Tahoe Airport District	INVOICE DATE: May 31, 2012 CUSTOMER NUMBER: TRUCTAH-01 EFFECTIVE DATE: July 1, 2012
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INSURANCE CO: Various	INVOICE NUMBER: 109198
POLICY NUMBER: PPROP1213	
Total Property Premium:	\$ 53,193
ABS Fee:	\$ 1,485
Estimated SLT&F's	\$ 1,734
Broker Fee:	\$ 0
ALL RISK PROPERTY SUBTOTAL	\$ 56,412

INSURANCE CO: Various	INVOICE NUMBER: 209198
POLICY NUMBER: PBOILER1213	
EXCESS BOILER & MACHINERY SUBTOTAL	\$ 385

TOTAL DUE AT THIS TIME	\$ 56,797
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NOTICE: Total Due includes Premiums, Taxes and Fees where applicable. Please return a copy of the invoice with your payment. Premiums are due and payable upon receipt of this invoice but no later than July 27, 2012. If payment is not received by the due date, policies may be subject to cancellation.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.