



ITEM NO: 7b_Supp

DATE OF

MEETING: 9/11/2012

Liability Insurance Renewal Update

Presented September 11, 2012
Jeff Hollingsworth, Risk Manager

Outline of Presentation

- Review of Liability Insurance Coverage
- Insurance Premium Factors
- Premium Re-Cap
- Renewal Coverage Process
- Expiring Premium 2011-2012
- Renewal Issues 2012-2013

Liability Insurance Coverage

Coverage	Description of Exposure Covered
Law Enforcement	Police operations
Public Officials	Wrongful acts of Port employees
Employment Practices	Wrongful acts of Port with respect to employees
Non-Aviation	Non-aviation operations
Aviation	Airport operations only
Auto	Automobile liability (Above what is self insured)

Liability Insurance Coverage

Coverage	Description of Exposure Covered
Fiduciary	Liability of managing employee benefit plans
Foreign	Port employees who are in foreign countries
Crime	Dishonest acts of Port employees
Vessel	Police boat and other owned vessels
Bonds	Self-insured pension bonds, notary bonds, custom bonds, etc.....
Excess Workers Compensation	Not purchasing.

Insurance Premium Factors

- Total operating-capital budget/payroll
- Past losses and claims
- Strength of our indemnity agreements with tenants
- Indemnity/transfer in construction contracts
- Operations directly controlled by Port versus tenant controlled operations

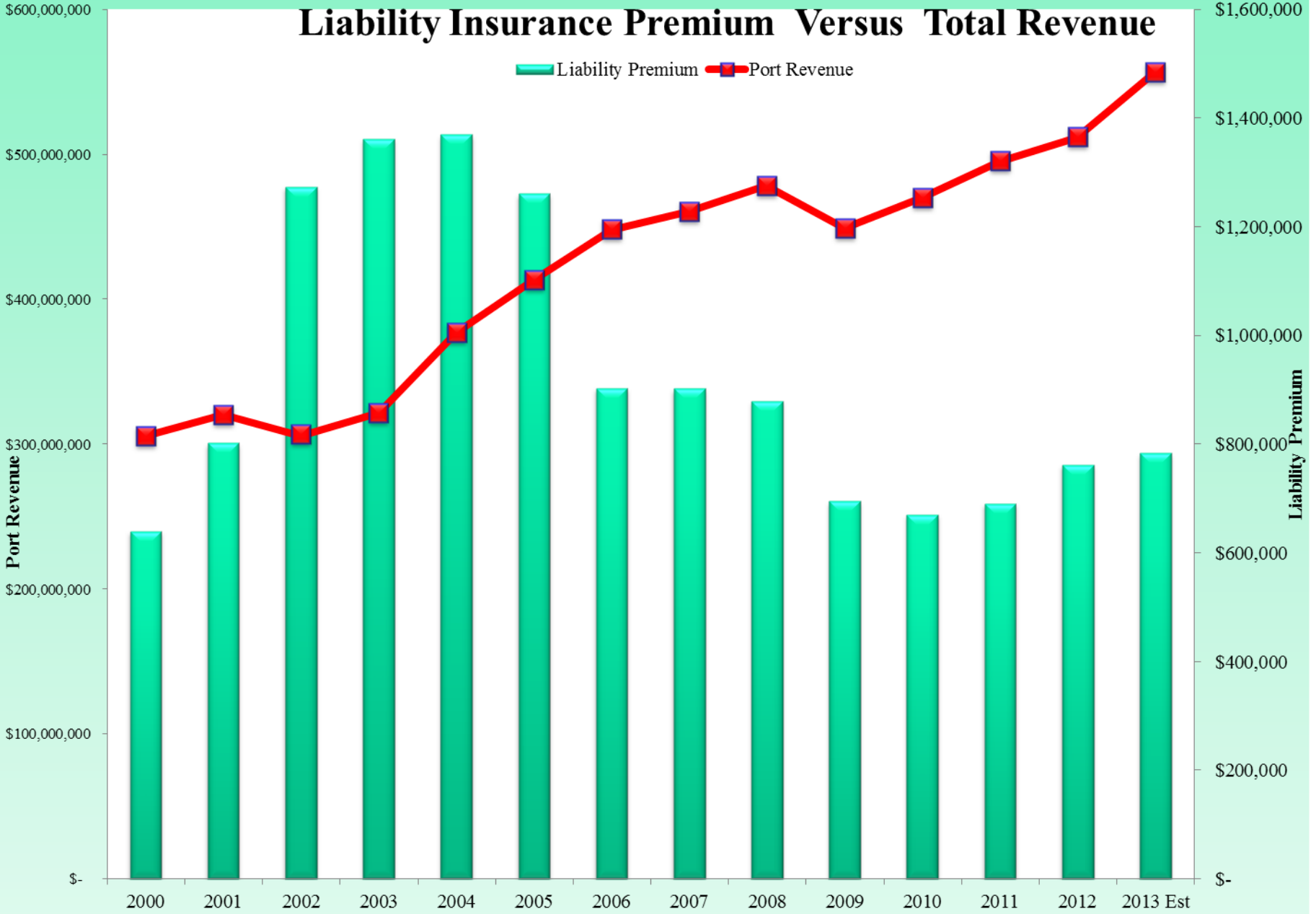
Insurance Premium Factors

- Size of automobile fleet and how utilized
- Inter-local agreements
- Number of employees and payroll
- Airport enplanements, Seaport TEUs, Eastside Rail Corridor, cruise passengers/vessel calls

Insurance Premium Factors

- Insurance markets
- External events in the marketplace
- Amount of Port's deductible
- Limits requested
- Special coverage requests

Liability Insurance Premium Versus Total Revenue



Renewal Coverage Process

- Coverage will run 10/1/2012 to 9/30/2013
- Risk Management department networks with other port and Airport entities to check current limits, deductibles, and coverage offered in the marketplace.
- Update to broker of operations, and current claims and litigation.
- Port's broker markets the coverage and solicits insurance bids and coverage on the Port's behalf.
- Risk Management reviews insurance proposals and discusses issues/costs with Division management prior to binding coverage.

Expiring Premium: 2011-2012

Coverage Line 10/1/2011-9/30/2012	Limits	Deductible	Expiring Premium
Non-Aviation	\$50 Million	\$1,000,000	\$435,000
Airport	\$500 Million	\$50,000	\$282,000
Police	\$10 Million	\$1,000,000	Included in Non-Aviation
Auto	Self –Insured First Million	Self-Insured	No Premium – Self insured
Vessels	\$ 1 Million	\$5,000	\$21,000
Public Officials and Employment Practices	\$10 Million	\$1,000,000	Included in Non-Aviation
Other Coverage: Crime, Fiduciary, Foreign, Bonds	Varies	Varies	\$38,000
			Total = \$776,000

Coverage Issues For 2012-2013

(To Be Finalized In Discussion With Divisions prior to 10/1/2012)

- Terrorism
 - Purchase for non-aviation liability policies
- Airport Limits
 - Keep at \$500 Million
- Ramp Insurance at Airport
 - Continue to purchase for ramp control vendor
- Excess Worker Compensation
 - Not pursuing
- Cyber Liability Coverage
 - To look at over the course of next year

Operational Issues 2012-2013

(To Be Reviewed In Discussion With Divisions prior to 10/1/2012)

- Real Estate Division
 - Eastside Rail Corridor operating volumes should not be significant enough to impact premium
 - Maintenance of East Marginal Way Grade Separation
 - Special events/use of Port parks
- Aviation Division
 - Landside Busing Operations – Coverage for operations between terminal and RCF/Bus Maintenance Facilities
- Renewal Estimate~ \$780,000 to \$800,000