

Property Insurance Renewal Update



Current Structure of Property Program (Main Limits Insured Per Occurrence Unless Noted)

- \$750 Million Multi Peril Coverage Limit
- \$25 Million Flood Limit (Annual)
- \$50 Million Course of Construction Limit
- \$350 Million Terrorism
- \$100 Million Equipment Breakdown
- \$100 Million Business Interruption

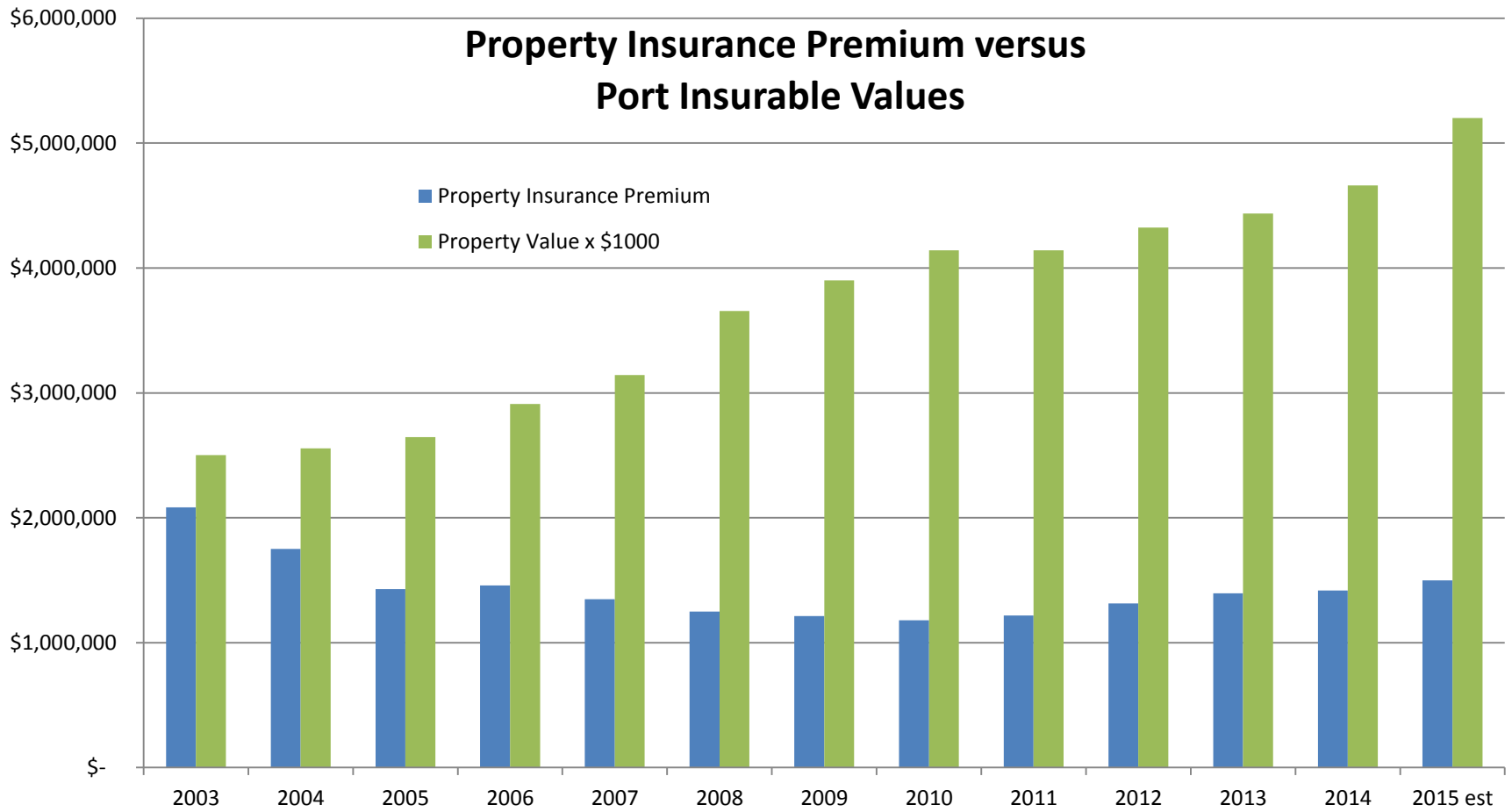
The Port is not looking to change limits or add coverage during this renewal.

Current Structure of Property Program (Major Deductibles Per Occurrence)

- \$500,000 Fire and Extended Coverage
- \$500,000 Flood
- \$50,000 Course of Construction
- \$25,000 Fine Arts
- \$500,000 Equipment Breakdown

The deductibles for the renewal are the same as last year's renewal.

Property Insurance Premium versus Port Insurable Values



The Port maintains a low dollar cost of insurance per unit of insured value.

Coverage Details

Annual Policy – July 1, 2015 through June 30, 2016

- Fire and Extended Coverage
 - Wind, Spills, Collapse, Impact, and Explosion
- Covers Equipment Breakdown
 - Mechanical/Electrical Equipment
- Covers Owned, Leased, Rented Property
 - Example – Applied to leased generators
- Covers Business Interruption
 - If Due to a Loss Covered by the Policy

The coverage does not include property loss due to land movement.

Property Renewal Forecast

(For July 1, 2015)

- Estimated renewal premium of \$1.5 million
- Will bind coverage on June 30
- Final proposal/cost will depend on:
 - Final adjustment of insured property values
 - Final estimation of capital projects for 2015-2016
 - Changes, if any, to program structure (deductibles/coverage/limits)
 - Negotiation with the underwriters

The increase in the Port's insured values are the biggest factor in the final cost.