

## ATTACHMENT #1



Human Resources and Risk Management  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 586-5250, Ext. 4084  
Chelsea.Swick@Juneau.gov

## MEMORANDUM

**Date:** June 27, 2024  
**TO:** Juneau International Airport, JNU Board  
**From:** Chelsea Swick, Risk Management Officer  
**Subject:** Airport Lease Agreements – Insurance Increase

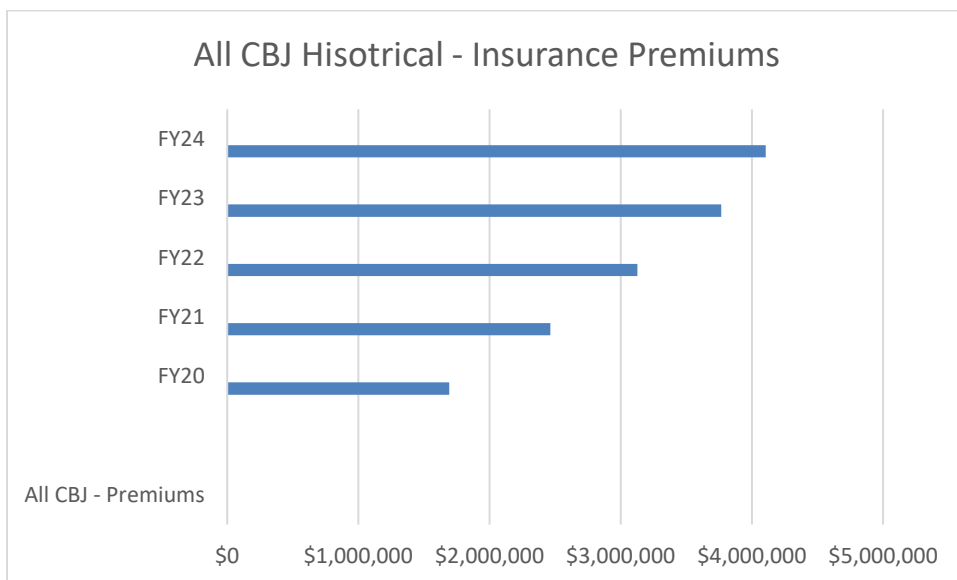
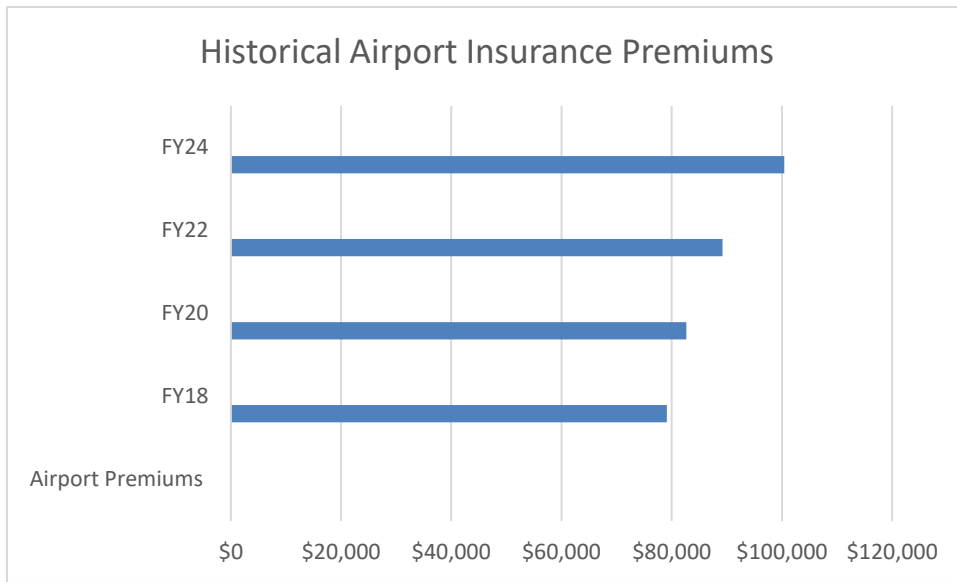
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This Memorandum is to address the recent implementation of increased insurance limit requirements within the Juneau International Airport (JNU) lease agreements, both General Aviation (GA), and Commercial Lease Agreements. JNU has historically required lower than average insurance limits; however, with rising property values, labor and materials, increased cost in insurance premiums and increased exclusions within insurance policies, we must increase coverage to adequately protect our assets.

In July of 2023, James Duboise with Chubb Insurance, one of JNU's line of coverage carriers, met with JNU staff and myself for a required Airport Liability Risk Engineering Survey. Among many topics discussed, one of the recommendations for the JNU lease agreements was to increase current insurance limit requirements from \$250K to \$1M.

In an effort to get JNU lease agreements more in line with adequate coverage should a loss occur, I recently reached out to Chubb Insurance to talk through what they have seen with other airports of like size and use for comparison. The goal is not to overburden JNU's lessees, but to require coverage that demonstrates the ability to fully cover a loss. Chubb indicated \$5M CGL within lease agreements is the standard across the aviation/airport industry, but given the unique design, use and size of JNU, \$1M should be the lowest minimum requirement. CBJ Risk Management is in agreement with Chubb Insurance on this recommendation and have already implemented this requirement amongst other CBJ Departments.

Exhibit A details a snapshot of JNU's historical insurance premiums, and a snapshot of all CBJ insurance premiums which provide some insight on rising insurance costs. Exhibit B details CBJ's liability structure of insurance and is provided for informational purposes.



City and Borough of Juneau - Liability Structure Charts

Policy Term: July 1, 2024 to July 1, 2025

Total Premium: \$1,893,500.64



|   |   |   |  |   |  |
|---|---|---|--|---|--|
| Total Cost: \$102,756.00<br>Total Limits: \$300,000,000   |   |   |  |   |  |
| Underwriters at Lloyds, London<br>Limit: \$200,000,000 xs \$100,000,000<br>Premium: \$53,399.00 |   |   |  |   |  |
| ACE Property and Casualty Insurance Company<br>Limit: \$100,000,000<br>Premium: \$49,357.00     | Total Cost: \$1,069,695.00<br>Total Limits: \$20,000,000  | Total Cost: \$140,122.50<br>Total Limits: \$20,000,000  |  | Total Cost: \$90,081.14<br>Total Limits: \$10,000,000 Each Occurrence<br>\$18,000,000 Aggregate   |  |
|   | Gemini Insurance Company<br>Limit: \$5,000,000 xs \$15,000,000<br>Premium: \$160,000.00   | Aspen American Insurance Company. – 33.34%<br>Stratford Insurance Company – 33.33%<br>Navigators Insurance Company – 33.33%<br>Limit: \$15,000,000 xs \$5,000,000<br>Premium: \$41,580.00 |  | Arch Insurance Company<br>Limit: \$9,000,000 xs of \$1,000,000 Each Occurrence<br>\$18,000,000 General Aggregate<br>Premium: \$32,495.80                |  |
|   | Evanston Insurance Company<br>Limit: \$10,000,000 xs \$10,000,000<br>Premium: \$200,000.00  |   |  |   |  |
|   | Upland Specialty Insurance Company<br>Limit: \$5,000,000 xs \$5,000,000<br>Premium: \$294,000.00  |   |  |   |  |
|   | Princeton Excess & Surplus Lines Insurance Company<br>Limit: \$5,000,000<br>Premium: \$415,695.00   | Navigators Insurance Company<br>Limit: \$4,000,000 xs \$1,000,000<br>Premium: \$27,552.00   |  | Professional Security Insurance Company<br>Limit: \$4,000,000 xs \$1,000,000 Each Claim<br>\$7,000,000 Aggregate<br>Premium: \$163,449.00               |  |
|   |   | Navigators Insurance Company<br>Primary Marine Liabilities for Ports<br>Limited Pollution Liability<br>Limit: \$1,000,000<br>Premium: \$39,531.45   | Navigators Insurance Company<br>Hull & Machinery – Per Schedule of Vessels<br>Primary Protection & Indemnity: \$1,000,000<br>Limited Vessel Pollution Liability: \$1,000,000<br>Premium: \$31,459.05 | Arch Insurance Company<br>Limit: \$1,000,000 per occurrence<br>\$2,000,000 Products Aggregate<br>\$10,000,000 General Aggregate<br>Premium: \$57,585.34 | Professional Security Insurance Company<br>Limit: \$1,000,000 per occurrence<br>\$3,000,000 Aggregate for PL & GL<br>Premium: \$327,397.00 |
| \$5,000 Occurrence<br>\$50,000 Aggregate Deductible   | \$350,000 Self-Insured Retention<br>all Coverages   | \$1,000 Hull & Machinery, \$5,000 Protection & Indemnity, \$5,000 Marine General Liability Deductible   |  | \$10,000 Occurrence and<br>\$50,000 Aggregate Self-Insured Retention  | \$100,000 per claim and<br>\$300,000 aggregate Deductible  |
| Airport Liability   | Excess Liabilities:<br>- Automobile Liability<br>- General Liability<br>- Public Officials Wrongful Acts (incl. EPL)<br>Law Enforcement Legal | Marine Insurance Program  |  | General Liability & Excess Liability -<br>Eaglecrest Ski Area   | Primary Professional Liability and Health Care<br>General Liability & Excess Liability - Bartlett Regional<br>Hospital                     |