

ATTACHMENT #2



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

MEMORANDUM

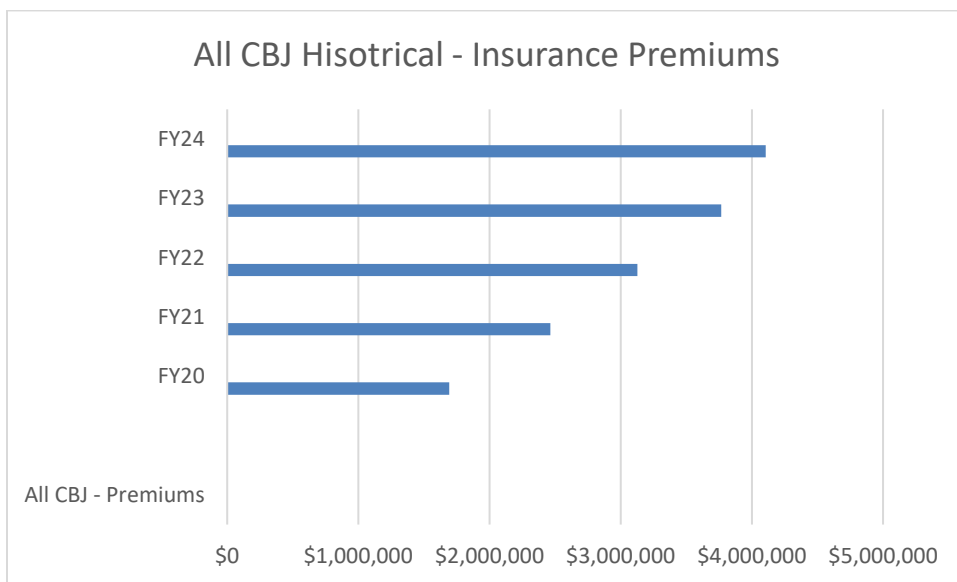
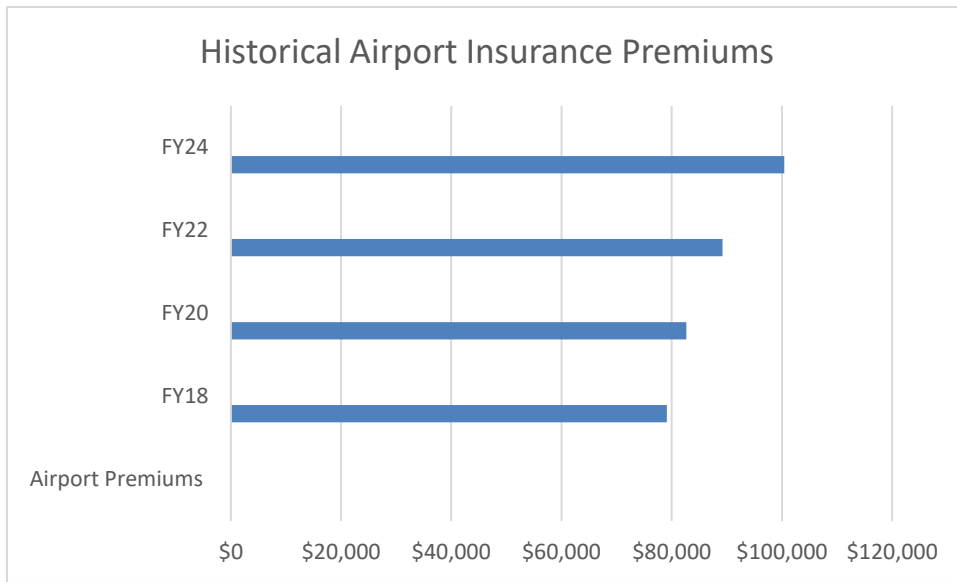
Date: June 27, 2024
TO: Juneau International Airport, JNU Board
From: Chelsea Swick, Risk Management Officer
Subject: Airport Lease Agreements – Insurance Increase

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