


## MEMORANDUM

CONSENT AGENDA  
ITEM # **B**

**TO:** Rob Fix  
**DATE:** October 8, 2019  
**FROM:** Tamara Sobjack   
**COPIES:** Bob Jenkins  
**SUBJECT:** Annual renewal of Port's liability and auto insurance program.

### ACTION REQUESTED

A motion to authorize the Executive Director to enter into insurance contracts for the renewal of the Port's liability and auto insurance coverage for the policy period October 1, 2019 through September 30, 2020

### BACKGROUND

The Port of Bellingham as a member of the PNWPA (Pacific Northwest Ports Association) renewed our agreement with Alliant Insurance Services to serve as our broker of record for the purpose of purchasing property and casualty insurance. The Commission previously authorized the Executive Director to enter into an insurance contract for the Port's property insurance for the policy period July 1, 2019 through June 30, 2020.

Alliant Insurance Services has now bound coverage for the Port's 2019 - 2020 liability and auto insurance program at the rates quoted in the chart below pending commission approval:

Policy	Limits	Underwriter	Renewal Premium 2018-2019	Renewal Premium 2019-2020
Primary Liability Includes Terrorism	\$1,000,000 w/\$25,000 deductible	Liberty Mutual	\$59,075	\$63,501
Public Officials Liability Includes Terrorism	\$5,000,000 w/\$25,000 deductible	ACE/Chubb	16,264	16,943
Auto Liability Includes Terrorism	\$1,000,000 w/various deductible	Hartford	29,243	33,048
Excess Liability Includes Terrorism	\$49,000,000	Navigators, U.S. Fire, Continental, Liberty, Endurance, Aspen	36,568	39,502
Airport Liability Includes War (\$50Mil) & Terrorism (\$100 Mil)	\$100,000,000 w/\$0 deductible	Ace Property and Casualty Insurance Co.	35,820	35,820

Skiff coverage	\$1,000,000 P&I coverage only. \$5,000 deductible per accident.	Atlantic Specialty Insurance, Navigators	8,105	8,253
Foreign Liability For travel outside the U.S. Coverage extends to spouse and family.	\$1,000,000 w/various limits & deductible	Insurance Company of the State of Pennsylvania	1,248 3 year Contract	0 3 Year Contract
<b>TOTAL (Excluding taxes and fees)</b>			<b>\$186,323</b>	<b>\$197,067</b>

## **FISCAL IMPACT**

Total premiums for the bound coverage increased 5.8% from the 2018 - 2019 premiums. Liability coverage and Excess Liability coverages increased 7.4% and 8.0% respectively due to major industry losses in 2017 and 2018. Airport liability remained flat because of the existing three year contract. Auto coverage increased 13.1% due to increased vehicle count (+6). Skiff coverage increased 1.8% due to market forces. Foreign Liability coverage is provided by a three year contract yielding a 20% savings on a yearly basis. These premiums are included in the 2019 approved budget and 2020 draft budget.

## **STRATEGIC PURPOSE**

To maintain adequate safeguards of Port assets.

## **RECOMMENDATION**

Approval of the motion.



Line of Coverage	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Primary Liability	\$ 37,016 *	\$ 35,166 *	\$ 35,166 *	\$ 40,803 *	\$ 48,856 *	\$ 58,365 *	\$ 58,365 *	\$ 58,365 *	\$ 58,365 *	\$ 59,075 *	\$ 63,501 *
Excess Liability	\$ 18,368 *	\$ 17,450 *	\$ 17,450 *	\$ 17,450 *	\$ 17,980 *	\$ 17,980 *	\$ 17,980 *	\$ 36,004 *	\$ 36,004 *	\$ 36,568 *	\$ 39,502 *
Auto	\$ 14,940 *	\$ 13,084 *	\$ 14,050 *	\$ 16,980 *	\$ 17,446 *	\$ 16,628 *	\$ 19,892 *	\$ 24,898 *	\$ 27,448 *	\$ 29,243 *	\$ 33,048 *
Public Officials Liability	\$ 18,882 *	\$ 17,074 *	\$ 16,260 *	\$ 16,260 *	\$ 17,188 *	\$ 16,778 *	\$ 16,778 *	\$ 15,460 *	\$ 15,460 *	\$ 16,264 *	\$ 16,943 *
Airport Liability	\$ 40,468 *	\$ 40,468 *	\$ 42,909 *	\$ 42,909 *	\$ 42,365 *	\$ 42,365 *	\$ 42,365 *	\$ 42,365 *	\$ 35,820 *	\$ 35,820 *	\$ 35,820 *
Vessel Program	\$ 6,360	\$ 6,705	\$ 6,504	\$ 5,800	\$ 5,700	\$ 5,700	\$ 5,696	\$ 5,700	\$ 9,482	\$ 8,105	\$ 8,253
Foreign Liability	\$ 520	\$ 606	\$ 606	\$ 606	\$ 606	\$ 606	\$ 516	\$ 516	\$ 516	\$ 1,248	Included
<b>Total</b>	<b>\$ 136,554</b>	<b>\$ 130,553</b>	<b>\$ 132,945</b>	<b>\$ 140,808</b>	<b>\$ 150,141</b>	<b>\$ 158,422</b>	<b>\$ 161,592</b>	<b>\$ 183,308</b>	<b>\$ 183,095</b>	<b>\$ 186,323</b>	<b>\$ 197,067</b>

\* Includes Terrorism