



Meeting Date: June 20, 2016

Consent Docket Item: 4-d

Report No.: CC-16-85

Department: Airport

Subject: FY17 City of Stillwater – Premises Aviation Renewal

Budget Impact: No additional appropriations are necessary for this action.

Prior Council Action or Part of an Approved Project: Yes **Related Items:** [City of Stillwater Resolution CC 2016-16](#); [May 2, 2016 City of Stillwater City Council Minutes](#)

Alternatives:

- Purchase insurance through Marsh
- Purchase insurance from different vendor

Recommendation: Purchase insurance through Marsh

Prepared by: Melissa Reames, CFO

Background Information: Airport Premises Liability insurance renews on 6-21-16. Staff has engaged the services of Marsh & McLennan Companies to secure coverage. As required for the American Airlines contract, the bodily injury limits quoted are \$4,000,000 per occurrence and American Airlines has been named as a co-insured on the policy. Upon recommendation of the City attorney's office, the products/completed operations coverage will be increased to \$4,000,000. This coverage protects the City from liability of injuries/damages discovered after the fact. Due to increased exposure, staff has opted to include terrorism coverage in FY17. While staff considers terrorism a remote possibility, the inexpensive nature of the coverage made it feasible. Additionally, Marsh has included the Non-Owned Aircraft policy with this renewal. The existing policy will be canceled with the unused portion of the premium returned to the City. The insurance quote is for one year with two option periods. The City can opt out of renewal prior to the anniversary date without incurring a premium penalty. Airport Premises Liability insurance and non-owned aircraft insurance is included in the FY17 airport budget. No additional budget appropriation is required at this time. Total premium for FY17 is \$5,060. Combining the two policies into one in addition to electing additional coverage will result in an annual savings to the City of \$640.