

PROPERTY CASUALTY & WORKERS COMPENSATION INSURANCE RENEWAL 2023 - 2024

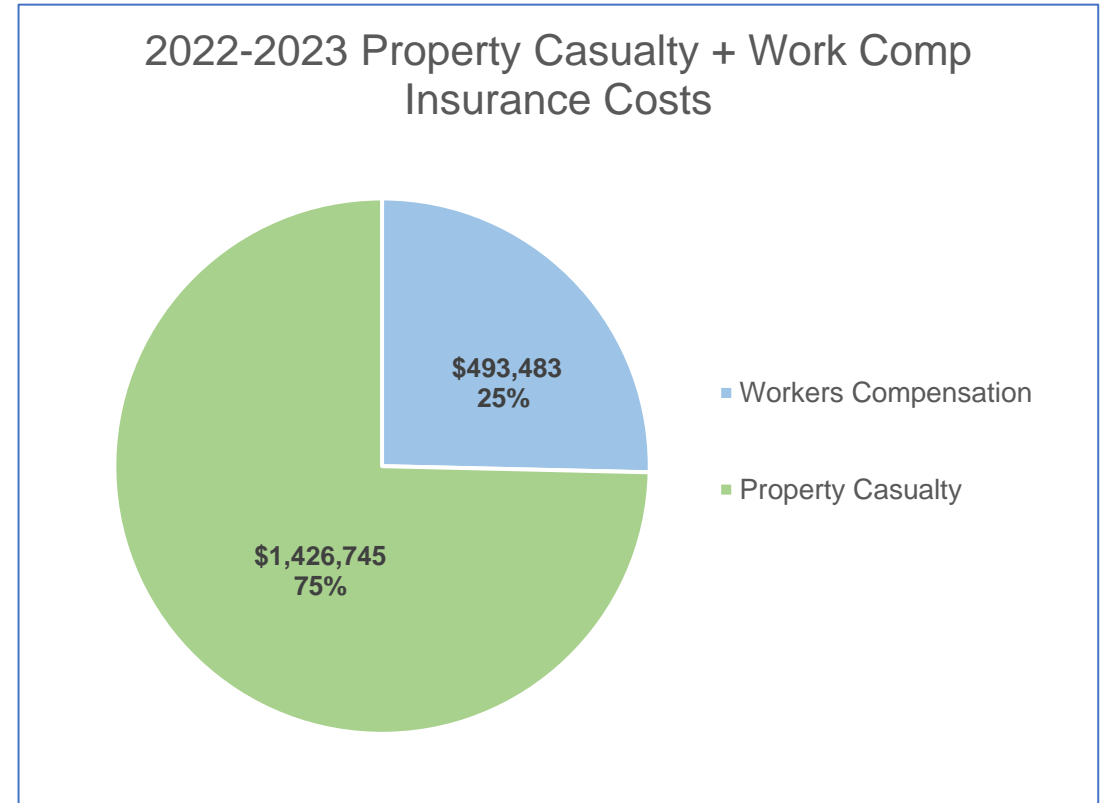
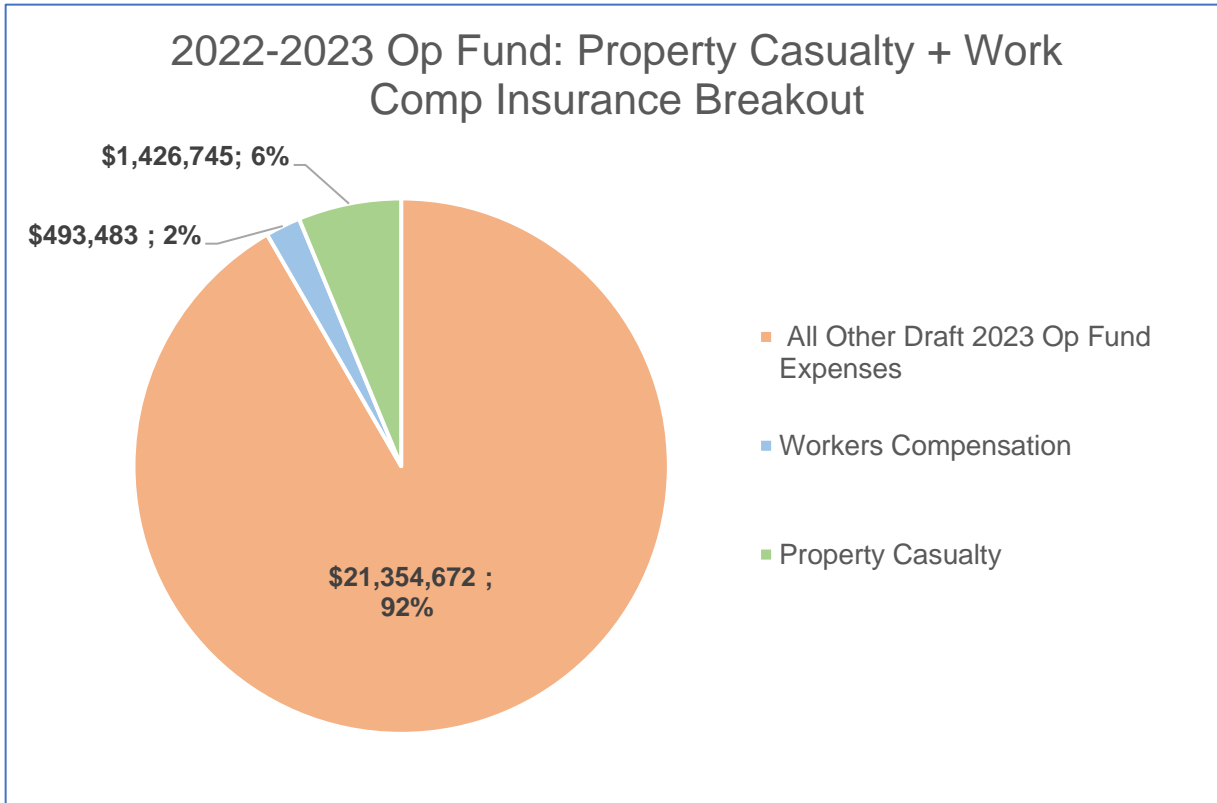
SEPTEMBER 28, 2023

RECOMMENDATION

By Motion,

The Board of Directors approves the property casualty and workers compensation insurance renewals as indicated in Exhibit A: Proposed 2023-2024 Schedule of Insurance.

PROPERTY CASUALTY INSURANCE – EXPIRING POLICY YEAR 2022/2023



PROPERTY CASUALTY

PROPERTY CASUALTY POLICIES RENEWAL 2023-2024

ASSUMPTIONS OF IMPACTS TO RENEWAL

- Regional and national catastrophic losses impacting the insurance industry continue in certain lines but are stabilizing in others like directors and officers liability (aka management policy)
- Continuance of addressing inflation of building replacement values in part due to advisement on price per square foot of buildings, and tightening of policy language regarding building replacement
- Increase to other exposures such as estimated gross receipts and other insured contents/assets
- TDA's risk and safety management reputation and low loss record beneficially impact renewal quotes

PROPERTY AND CASUALTY INSURANCE COVERAGE

Coverage	Description	Limits
Commercial Liability	General liability coverage for claims against TDA for personal injury or property damage, product liability, advertising injury, abuse/molestation, liquor liability, etc.	\$2,000,000/ \$2,000,000 Aggregate; \$1MM/\$1MM Liquor Liability & Abuse/Molestation
Property/Inland Marine/Boiler	Coverage for schedule of assets (buildings, contents, ski lifts, movable equipment, signs, etc.), mechanical breakdown, earthquake, flooding, other property damage like the golf course, and business interruption	23-24 Blanket Limit \$115,778,781
Sabotage, Terrorism and Active Shooter	Active shooter, malicious attack, additional security measures, counseling, public relations costs, crisis mgt expense	\$117,778,781 T&S limit, \$1MM Active shooter/Malicious Attack limit + various sublimits under ea coverage
Pollution	Pollution coverage spanning from hazardous waste storage and disposal, to fuel spills, or other pollutant claims	\$1MM/2MM
Business Auto	General auto coverage for vehicles, shuttles, and registered equipment	\$1,000,000
Cyber	Digital risk coverage for attacks within and out of the organization, includes social engineering	\$1,000,000 / \$100,000
Prime Umbrella Liability Policy	Primary excess line that covers all the above policies and follows form	\$5MM/\$5MM X of \$1MM GL
Excess Liability Policies	Multiple layers of excess liability coverage that stacks on top of the prime umbrella and follows form	\$45MM X of \$5MM

PROPERTY AND CASUALTY INSURANCE COVERAGE - CONT.

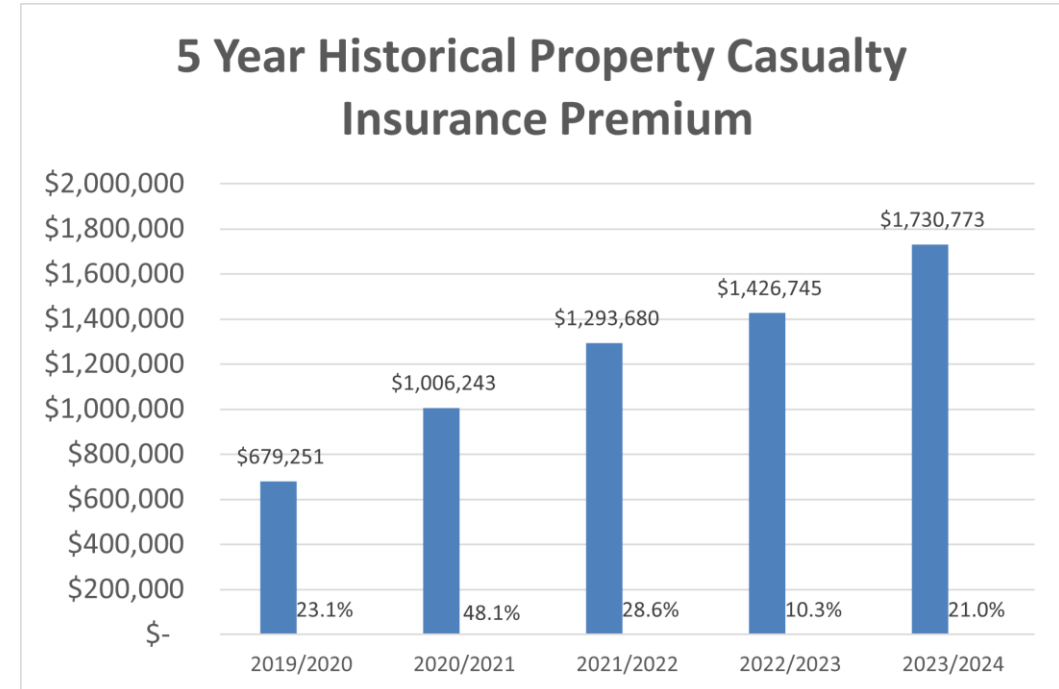
Coverage	Carrier	Limits
Crime	Broad crime coverage including EE theft, forgery, computer fraud, theft in/out premise, transit,	\$500,000 EE Theft; Forgery, Computer Fraud and Fund transfer fraud to \$250,000; Theft Inside/Outside Premises \$25,000
Excess Crime	Multiple layers of excess liability over prime Crime policy	\$25.5MM X of \$500,000

PROPERTY AND CASUALTY INSURANCE COVERAGE - CONT.

Coverage	Carrier	Limits
D&O / EPLI / Fiduciary	Directors and Officers, Employment Practices Liability, and Fiduciary insurance coverage for board of directors, employees, and other volunteers of organization	\$5,000,000/\$5,000,000/ \$1,000,000 Shared limit
Excess D&O/ EPLI/ Fiduciary	Multiple layers of excess liability coverage follow form on D&O/EPLI/Fiduciary policy	\$25MM X of \$5MM

PROPERTY CASUALTY PREMIUM EXPENSE COMPARISON

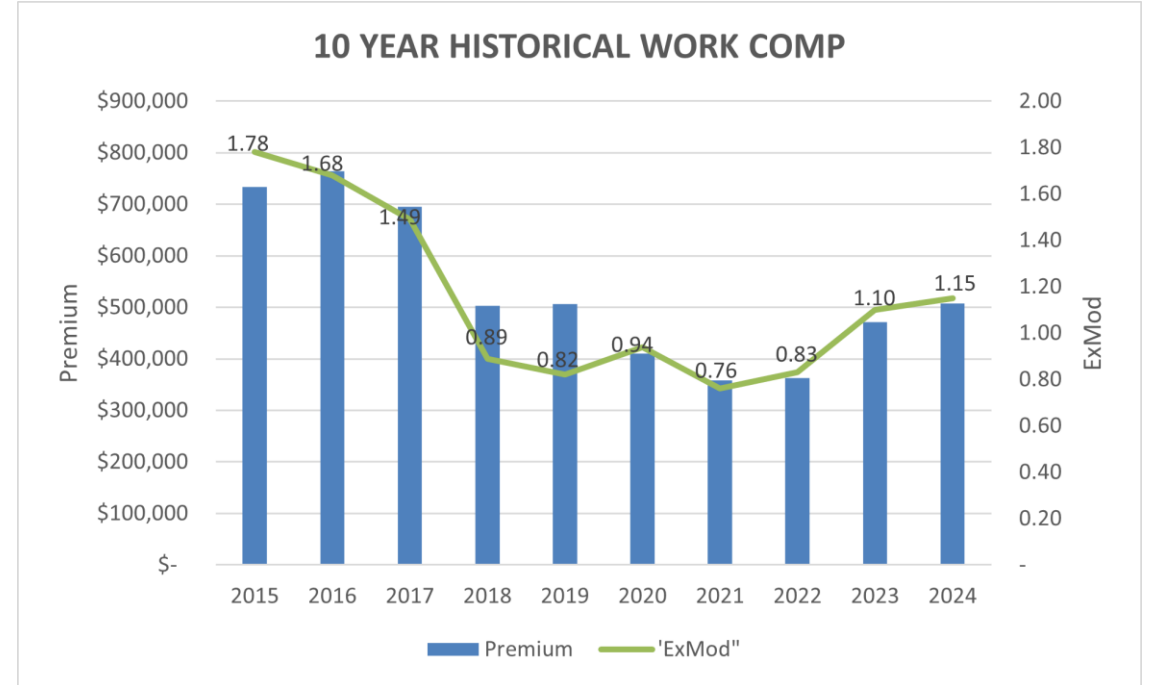
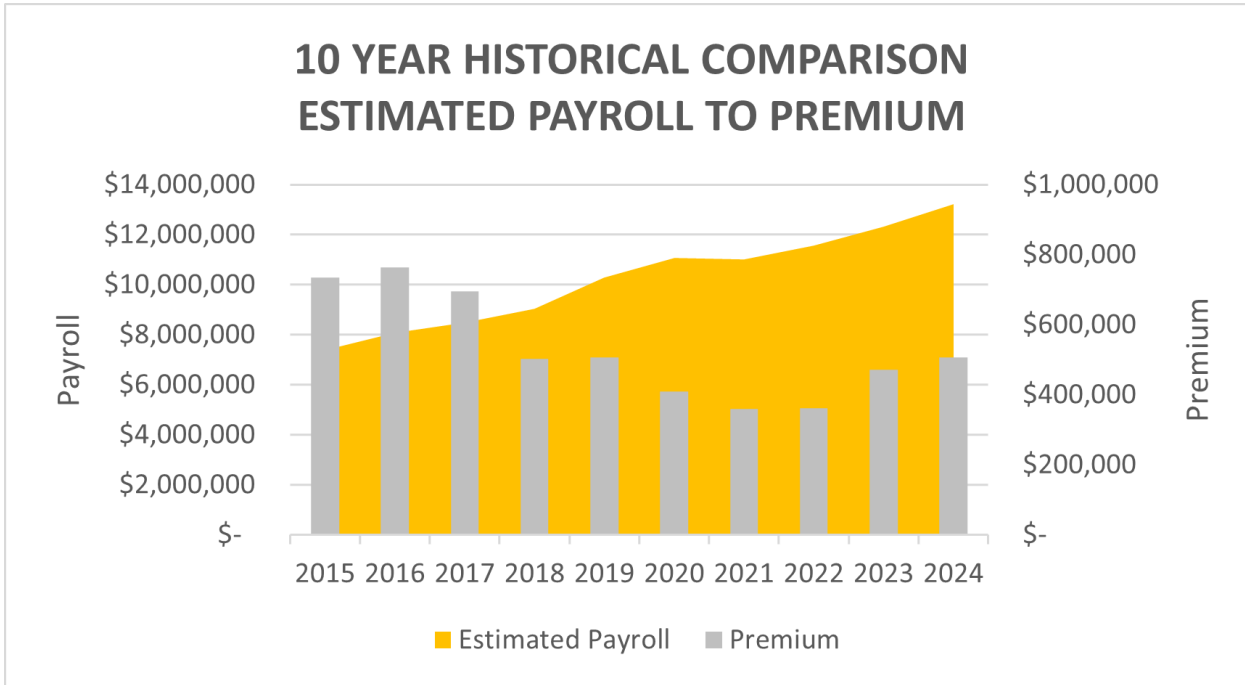
Coverage	2021-2022 Renewal Premium & Applicable tax and fees	2022-2023 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year	2023-2024 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year
Commercial Liability	\$ 233,718	\$ 272,296	17%	\$ 328,462	21%
Property/Inland Marine/Boiler	\$ 210,253	\$ 298,294	42%	\$ 465,180	56%
Sabotage, Terrorism and Active Shooter	\$ 8,255	\$ 13,790	67%	\$ 19,267	40%
Pollution	\$ 20,472	\$ 13,148	-36%	\$ 13,148	0%
Business Auto	\$ 69,548	\$ 68,466	-2%	\$ 76,159	11%
Cyber	\$ 4,949	\$ 8,005	64%	\$ 8,005	0%
Prime Umbrella Liability Policy	\$ 169,009	\$ 171,822	2%	\$ 189,754	10%
Excess Liability Policies	\$ 359,345	\$ 349,377	-3%	\$ 396,351	13%
Crime	\$ 1,851	\$ 1,041	-44%	\$ 1,048	1%
Excess Crime Policies	\$ 50,348	\$ 55,535	10%	\$ 55,296	-1%
D&O / EP/ Fiduciary	\$ 72,561	\$ 85,290	18%	\$ 87,378	2%
Excess D&O/EP/Fiduciary Policies	\$ 93,371	\$ 89,681	-4%	\$ 89,681	1%
Premium Subtotal	\$ 1,293,680	\$ 1,426,745	10.3%	\$ 1,730,773	21%
Service Fees	\$ 25,000	\$ 25,000	0%	\$ 26,700	10%
TOTAL	\$ 1,315,680	\$ 1,451,745	10.3%	\$ 1,757,473	21%



WORKERS COMPENSATION

WORKERS COMPENSATION RENEWAL 2023 – 2024

HISTORICAL REVIEW



Projected 2024-2025 ExMod indicates TDA's ExMod reducing from 1.15 to 1.01; improving costs for 2024 Q4 and 2025 Q1-3.



WORKERS COMPENSATION RENEWAL 2023 - 2024

ASSUMPTIONS IMPACTING THIS YEAR'S RENEWAL

- Workers Compensation Insurance Rating Bureau (WCIRB) pure rates decrease of 2.5% on average
- Medical costs in California are high, and much more so in the Truckee region impacting claims expense
- The Tahoe Donner Experience Modification Rate (ExMod) increased 4.5% from 1.10 to 1.15. Projected 2024 ExMod indicates TDA's ExMod reducing from 1.15 to 1.01.
- Estimated 2023- 2024 payroll increase of 7.3%

WORKERS COMPENSATION RENEWAL 2023 - 2024

STARSTONE - STANDARD POLICY QUOTE

CODE	DESCRIPTION	PAYROLLS 2022-23	NET RATE 2022-23	PAYROLLS 2023-24	NET RATE 2023-24
7207	Stables; Clubs - Riding; Horse Shows/Rodeos/Pack Trains; Racing Stables - Harness	\$145,000	9.82	\$150,800	9.80
9079	Restaurants Or Taverns; Concessionaires	\$1,650,000	3.11	\$1,766,000	3.14
9180	Amusement/Rec Facilities - Device Operations; Shooting Clubs/Ranges	\$856,000	3.03	\$910,240	3.53
9066	Homeowners Associations	\$3,650,000	3.54	\$3,896,000	3.50
9184	Ski Resorts - Alpine	\$1,900,000	8.88	\$2,026,000	9.53
8810	Clerical	\$3,150,000	.26	\$3,426,000	.24
9015	Campgrounds	\$46,000	4.66	\$47,840	4.44
9016	Marina/Maintenance	\$36,500	2.81	\$93,960	2.95
9060	Clubs - Country Or Golf	\$748,000	3.59	\$787,920	3.80
8017	Store (Retail Sales Ski Shop)	\$133,000	3.07	\$138,320	3.08
8066	Stores - Bicycles And Bicycle Accessories			\$23,920	2.07
	Total	\$12,314,500		\$13,267,000	

2022 Ex Mod: 110%

2023 Ex Mod: 115%

Total Estimated Premium	\$479,575
Taxes & Surcharges	\$28,077
Service Fees	\$25,000
Total Estimated	\$532,652



TOTAL ESTIMATED INSURANCE PREMIUM + FEES

PROPERTY CASUALTY + WORKERS COMPENSATION ESTIMATED PREMIUM EXPENSE COMPARISON

Coverage	2021-2022 Renewal Premium & Applicable tax and fees	2022-2023 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year		2023-2024 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year	
Property/Casualty Subtotal	\$ 1,293,680	\$ 1,426,745	\$ 133,065	10%	\$ 1,730,773	\$ 304,028	21%
Workers Comp Subtotal	\$ 362,541	\$ 471,483	\$ 108,942	30%	\$ 507,652	\$ 36,169	8%
Total Insurance Estimated Premium	\$ 1,656,221	\$ 1,898,228	\$ 242,007	14.2%	\$ 2,238,425	\$ 340,197	18%
Interwest Brokers Fees	\$ 47,000	\$ 47,000	\$ 0	0%	\$ 51,700	\$ 4,700	10%
TOTAL Property/Casualty & Workers Comp Renewal	\$ 1,703,221	\$ 1,945,228	\$ 242,007	14.2%	\$ 2,290,125	\$ 344,897	17.7%

- 2024 Draft Budget (9/14) anticipated Net 10% increase in insurance premium expense; \$2.2M
- 2023 – 2024 Proposed Renewal is \$2,290,125

RECOMMENDATION

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QUESTIONS?

REFERENCE MATERIAL

TIMELINE OF RENEWAL PROCESS



- Winter ops loss rep. site visit
- Initial discussion on renewal strategies
- Claims management focused

- Claims management focused

- Quarterly claims review
- Market review and discussion on renewal strategy adjustment as needed

- Claims management focused

TIMELINE OF RENEWAL PROCESS



- Market and trends discussion
- Quarterly claims review
- Preparation and submission of renewal documentation

- Underwriters review TDA risk program, loss runs, recent loss rep. site visit comments for rating and quote generation
- TDA staff respond to Q&A from carriers through broker
- Day to day review by staff of market impacts, trends with broker

- Carriers provide quotes on lines of coverage
- Professional insurance broker(s) provide advisement to board on coverage and renewal
- Board of Directors make decision to approve renewals and bind coverage

- Policies renew on October 1, 20XX

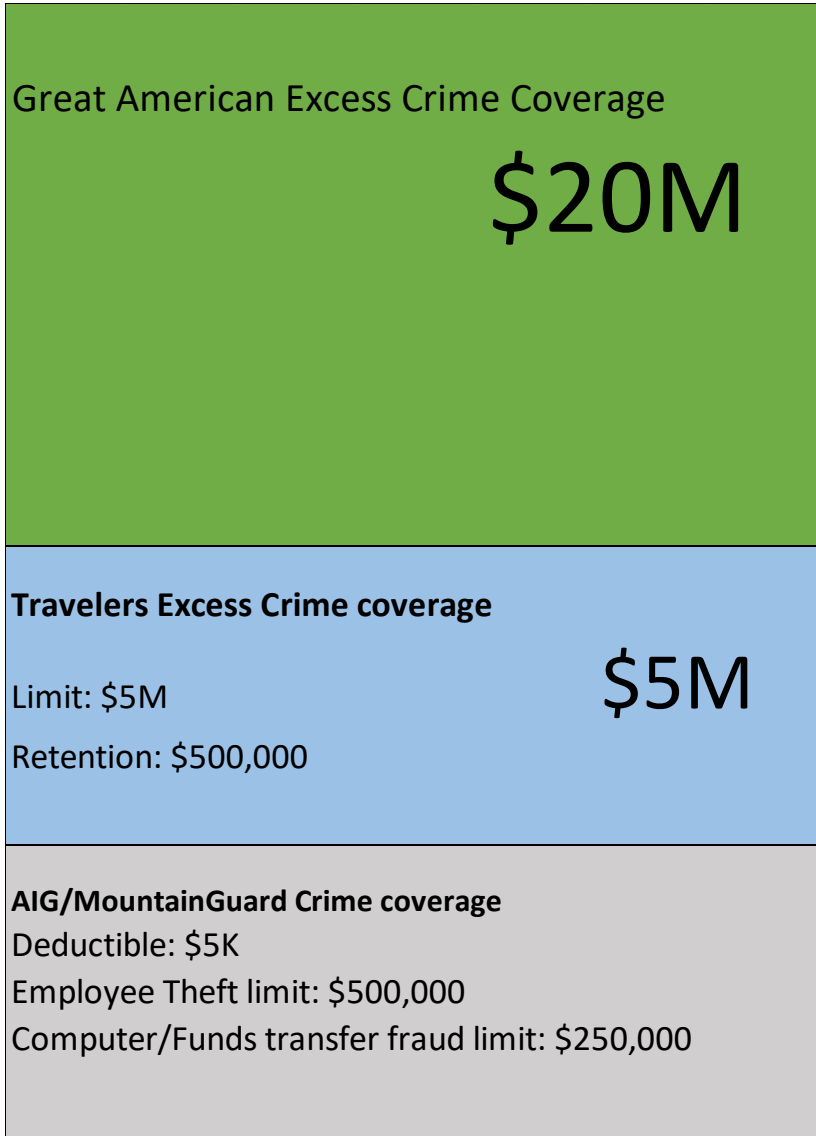
PROPERTY CASUALTY INSURANCE COVERAGE LIMITS

Total Limits = \$50 million

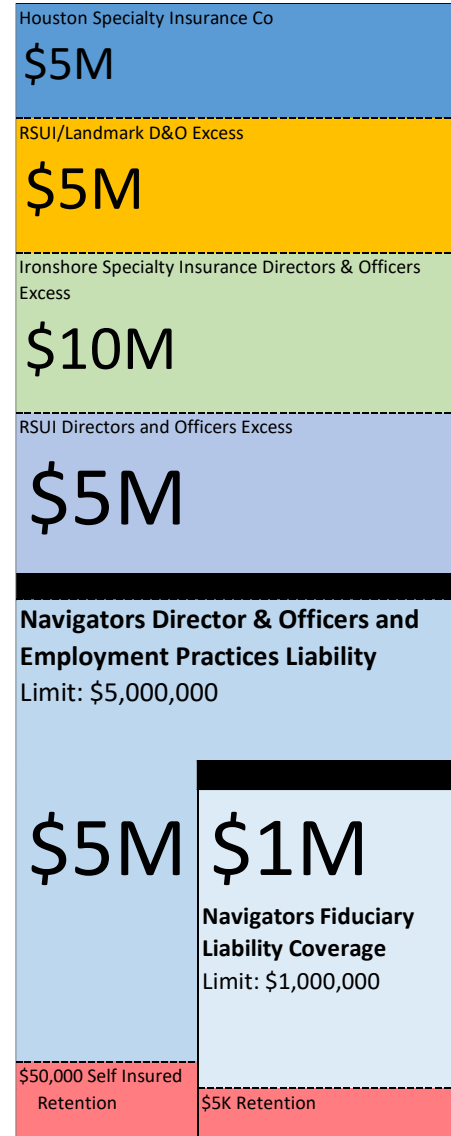
Liberty Surplus Insurance Company 6th Layer of Excess <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$10M</p>		
Westfield Specialty Insurance Company 5th Layer of Excess <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$10M</p>		
StarStone National Insurance Company 4th Layer of Excess <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$10M</p>		
Markel American Insurance Company 3rd Layer of Excess <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$10M</p>		
Berkley National Insurance Company Second Layer of Excess <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$5M</p>		
AIG Mountain Guard First Layer of Excess Limits: \$25,000,000 (\$50,000,000 aggregate limit or 2, \$25,000,000 occurrences) <p style="text-align: center; font-size: 24pt; font-weight: bold;">\$5M</p>		
\$10,000 Self Insured Retention		
<p style="text-align: center; font-size: 24pt; font-weight: bold;">\$1M</p> <p>AIG/MountainGuard General Liability Coverage Limit: \$1M per occurrence/\$2M Aggregate Notable Coverages included & Deductible levels: Sexual Misconduct Deductible: \$15,000 Bodily Injury & Property Damage deductible: \$15,000 Liquor Liability deductible: \$15,000 Employee Benefits Liability deductible: \$1,000</p>	<p style="text-align: center; font-size: 24pt; font-weight: bold;">\$1M</p> <p>AIG/MtnGuard Auto Liability Limit: \$1,000,000 Symbol 1: "Any Auto" Uninsured & Underinsured motorist coverage included Hired & Non-owned coverage included</p>	<p style="text-align: center; font-size: 24pt; font-weight: bold;">\$1M</p> <p>Starstone Work Comp Employers Liability Each accident Disease</p>



PROPERTY CASUALTY INSURANCE COVERAGE LIMITS



Crime Limits Total = \$20 million



D&O, EP Limits Total = \$30 million

