

PROPERTY CASUALTY & WORKERS COMPENSATION INSURANCE RENEWAL 2024 - 2025

SEPTEMBER 27, 2024

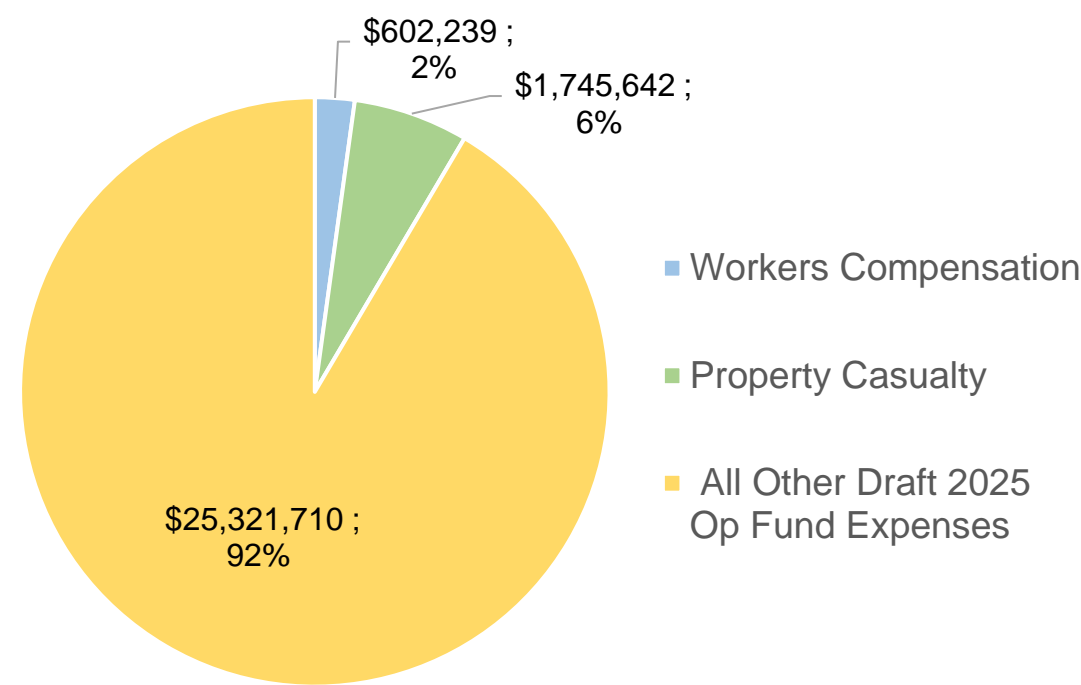
RECOMMENDATION

By Motion,

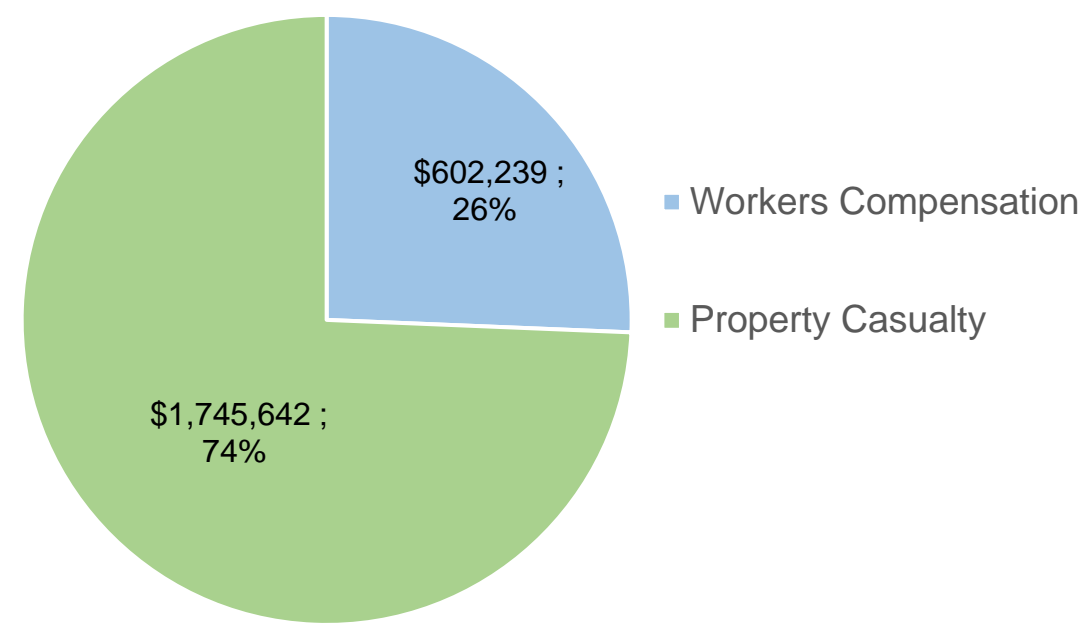
The Board of Directors approves the property casualty and workers compensation insurance renewals as indicated in Exhibit A: Proposed 2024-2025 Schedule of Insurance.

PROPERTY CASUALTY INSURANCE – EXPIRING POLICY YEAR 2023/2024

2024-2025 Op Fund: Property Casualty + Work Comp Insurance Breakout



2024-2025 Property Casualty + Work Comp Insurance Costs



PROPERTY CASUALTY

PROPERTY CASUALTY POLICIES RENEWAL 2024-2025

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	\$131,869,981 T&S limit, \$1MM Active shooter/Malicious Attack limit + various sub-limits under each coverage, \$2MM BI
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	\$1MM / \$1MM
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

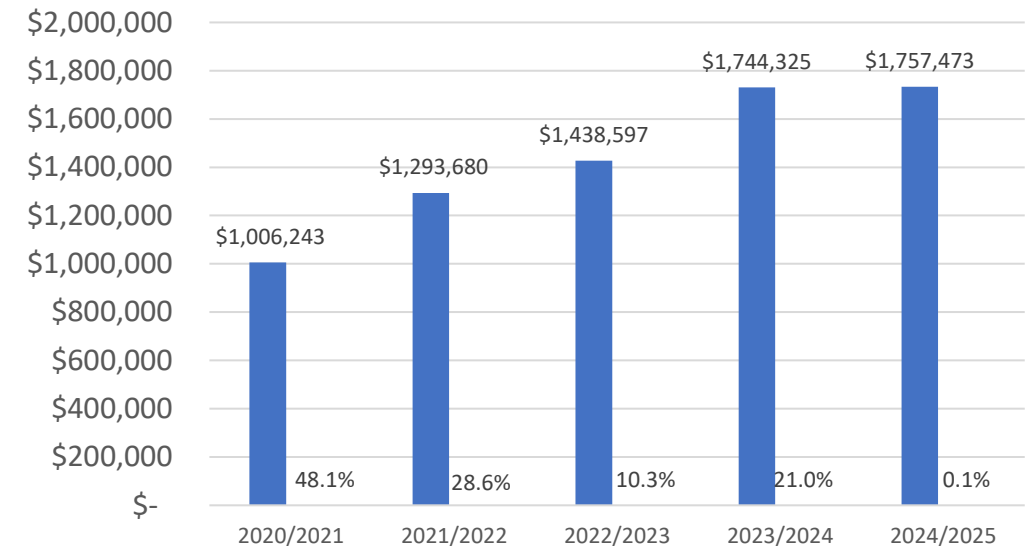
PROPERTY AND CASUALTY INSURANCE COVERAGE - CONT.

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	2022-2023 Renewal Premium & Applicable tax and fees	2023-2024 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	\$272,296	\$328,462	21%	\$283,268	-14%
Property/Inland Marine/Boiler	\$298,294	\$465,180	56%	\$547,759	18%
Sabotage, Terrorism and Active Shooter	\$13,790	\$19,267	40%	\$22,096	15%
Business Auto	\$68,466	\$76,159	11%	\$86,994	14%
Cyber	\$8,005	\$8,005	0%	\$4,326	-46%
Prime Umbrella Liability Policy	\$171,822	\$189,754	10%	\$171,478	10%
Excess Liability Policies	\$349,377	\$396,351	13%	\$373,459	-6%
Crime	\$1,041	\$1,048	1%	\$1,048	1%
Excess Crime Policies	\$55,535	\$55,296	-1%	\$55,296	0%
D&O / EP/ Fiduciary	\$85,290	\$87,378	2%	\$82,192	-6%
Excess D&O/EP/Fiduciary Policies	\$89,681	\$90,725	1%	\$91,026	0%
Premium Subtotal	\$1,413,597	\$1,717,625	18%	\$1,718,942	.08%
Service Fees	\$25,000	\$26,700	6%	\$26,700	0%
TOTAL	\$1,438,597	\$1,744,325	18%	\$1,757,473	.08%

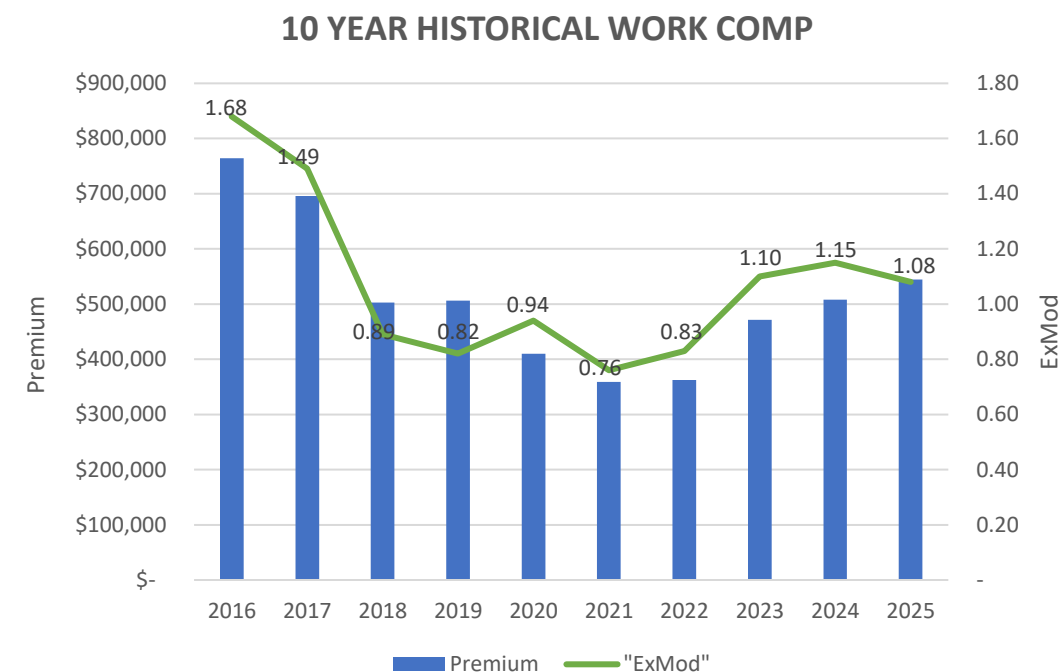
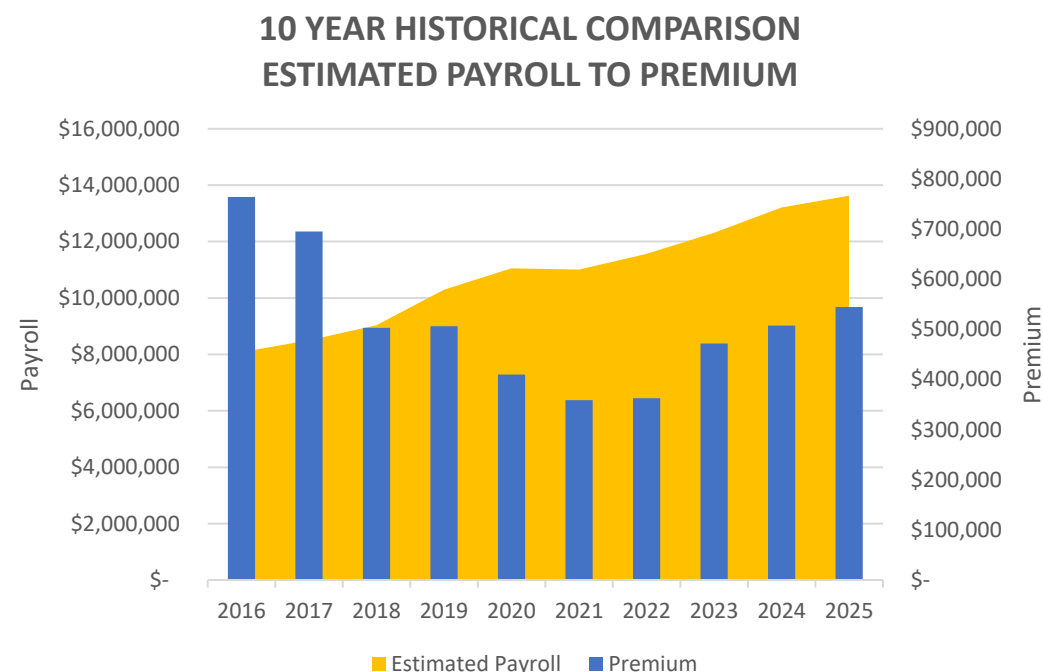
5 Year Historical Property Casualty Insurance Premium



WORKERS COMPENSATION

WORKERS COMPENSATION RENEWAL 2024 – 2025

HISTORICAL REVIEW



As projected the Experience Modification Rate (ExMod) decreased from 2023-24 to 2024-25. Projected 2025-2026 ExMod indicates an anticipated reduction; improving costs for 2025 Q4 and 2026 Q1-3.



WORKERS COMPENSATION RENEWAL 2023 - 2024

ASSUMPTIONS IMPACTING THIS YEAR'S RENEWAL

- Workers Compensation Insurance Rating Bureau (WCIRB) pure rates increased by 0.52% on average, which negatively impacted the renewal
- Medical costs in California are high, and much more so in the Truckee region impacting claims expense
- The Tahoe Donner Experience Modification Rate (ExMod) decreased from 1.15 to 1.08. Despite this positive change, reflecting policy and practice, workers compensation rates have increased by 12.5%.
- Estimated 2024- 2025 payroll increase of 2.62%

WORKERS COMPENSATION RENEWAL 2023 - 2024

STARSTONE - STANDARD POLICY QUOTE

Code	Description	Payrolls 2023-24	Net Rate 2023-24	Payrolls 2024-25	Net Rate 2024-25
7207	Stables; Clubs – Riding; Horse Shows/Rodeos/Pack Trains; Racing Stables – Harness	\$150,800	9.80	\$156,832	12.86
9080	Restaurants or Taverns; Concessionaires	\$1,766,000	3.14	\$1801,320	3.30
9180	Amusement/Rec Facilities – Device Operations; Shooting Clubs/Ranges	\$910,240	3.53	\$0	4.39
9066	Homeowners Associations	\$3,896,000	3.50	\$4,051,840	3.92
9184	Ski Resorts – Alpine (and Cross Country)	\$2,026,000	9.53	\$2,972,650	8.44
8810	Clerical	\$3,426,000	.24	\$3,563,040	.25
9015	Campgrounds	\$47,840	4.44	\$49,754	4.88
9016	Marina/Maintenance	\$93,960	2.95	\$39,478	3.37
9060	Clubs – Country and Golf	\$787,920	3.80	\$819,437	4.46
8017	Store (Retail Sales Ski Shop)	\$138,320	3.08	\$143,853	3.52
8066	Stores – Bicycles and Bicycle Accessories	\$23,920	2.07	\$24,877	2.47
Total Payroll		\$13,267,000		\$13,623,081	
2023 Ex Mod: 115%		2024 Ex Mod: 108%			

Total Estimated Premium	\$577,239
Taxes & Surcharges	\$32,929
Service Fees	\$25,000
Total Estimated	\$602,239



TOTAL ESTIMATED INSURANCE PREMIUM + FEES

PROPERTY CASUALTY + WORKERS COMPENSATION ESTIMATED PREMIUM EXPENSE COMPARISON

Coverage	2022-2023 Renewal Premium & Applicable tax and fees	2023-2024 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year		2024-2025 Renewal Premium & Applicable tax and fees	Net Change Over Prior Policy Year	
Property/Casualty Subtotal	\$ 1,413,597	\$ 1,717,625	\$ 304,028	22%	\$ 1,718,942	\$ 1,317	.08%
Workers Comp Subtotal	\$ 471,483	\$ 505,907	\$ 34,424	7%	\$ 577,239	\$ 71,332	14%
Total Insurance Estimated Premium	\$ 1,885,080	\$ 2,223,532	\$ 338,452	18%	\$ 2,296,181	\$ 72,649	3%
Interwest Brokers Fees	\$ 47,000	\$ 51,700	\$ 4,700	10%	\$ 51,700	\$ 0	0%
TOTAL Property/Casualty & Workers Comp Renewal	\$ 1,932,080	\$ 2,275,232	\$ 343,152	17%	\$ 2,347,881	\$ 72,649	3%

- 2025 Draft Budget anticipated Net 3% increase in insurance premium expense
- 2024 – 2025 Proposed Renewal: \$2,347,881

RECOMMENDATION

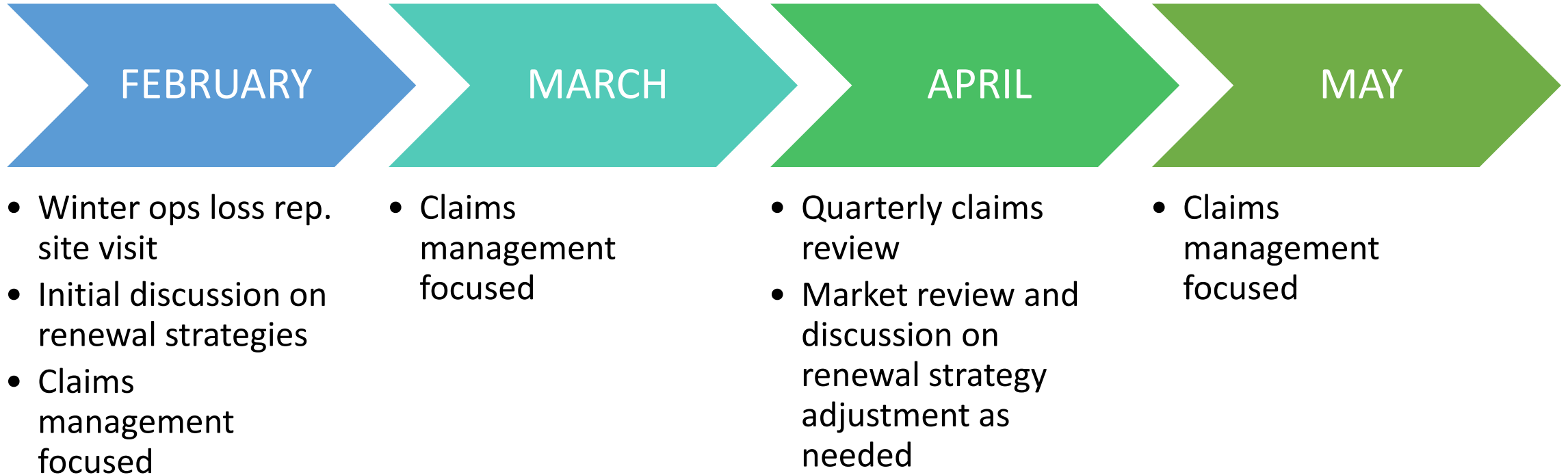
By Motion,

The Board of Directors approves the property casualty and workers compensation insurance renewals as indicated in Exhibit A: Proposed 2024-2025 Schedule of Insurance.

QUESTIONS?

REFERENCE MATERIAL

TIMELINE OF RENEWAL PROCESS



TIMELINE OF RENEWAL PROCESS

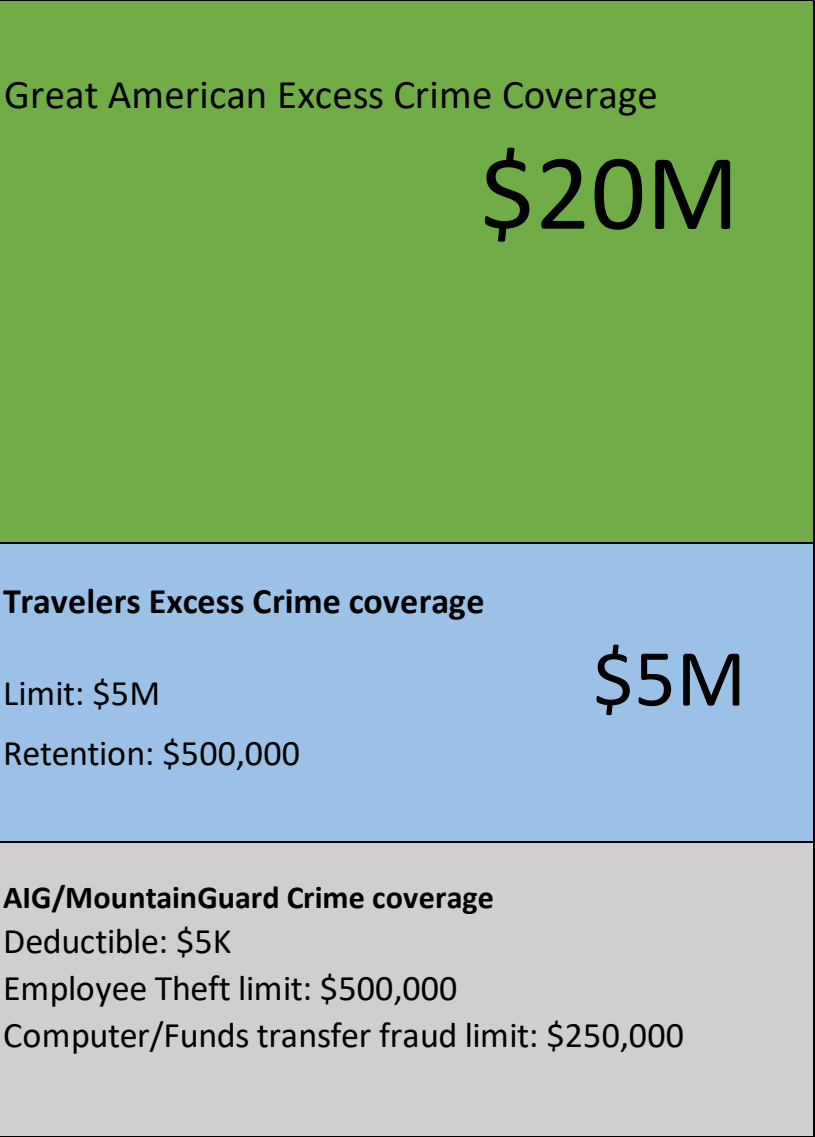


PROPERTY CASUALTY INSURANCE COVERAGE LIMITS

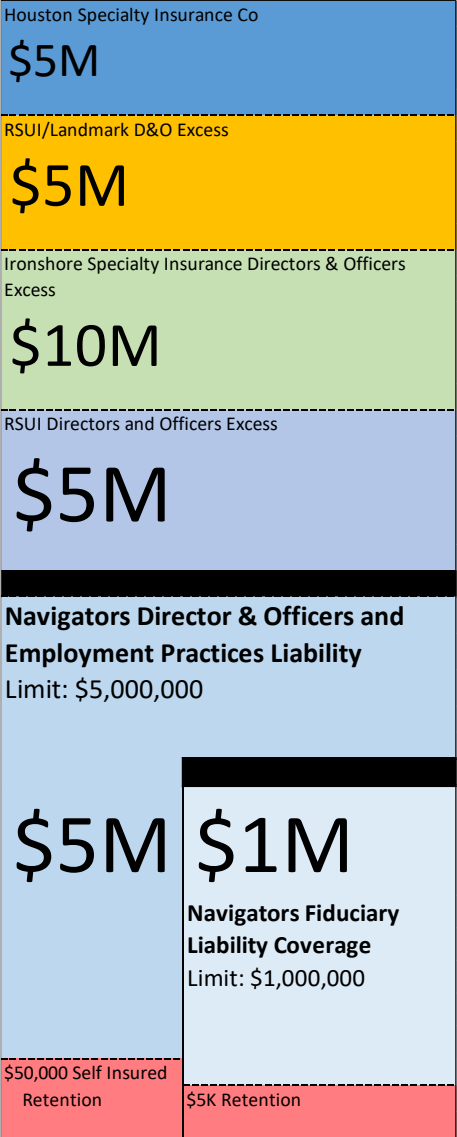
Liberty Surplus Insurance Company 6th Layer of Excess		
\$10M		
Westfield Specialty Insurance Company 5th Layer of Excess		
\$10M		
StarStone National Insurance Company 4th Layer of Excess		
\$10M		
Markel American Insurance Company 3rd Layer of Excess		
\$10M		
Berkley National Insurance Company Second Layer of Excess		
\$5M		
AIG Mountain Guard First Layer of Excess		
Limits: \$25,000,000 (\$50,000,000 aggregate limit or 2, \$25,000,000 occurrences)		
\$5M		
\$10,000 Self Insured Retention		
\$1M	\$1M	\$1M
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	AIG/MtnGuard Auto Liability Limit: \$1,000,000 Symbol 1: "Any Auto" Uninsured & Underinsured motorist coverage included Hired & Non-owned coverage included	Starstone Work Comp Employers Liability Each accident Disease

Total Limits = \$50 million

PROPERTY CASUALTY INSURANCE COVERAGE LIMITS



Crime Limits Total = \$20 million



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

