

LATE ITEM

MOTION – X. A.1.

Director Ferrini:

The Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to accept and bind insurance coverages for the PDA to be provided by Cross Insurance, Inc. as outlined in the premium summary attached hereto, in the projected total premium amount of \$158,337.06 for the period of December 31, 2020 through December 31, 2021, in accordance with the memorandum of Anthony I. Blenkinsop, Deputy Director/General Counsel, dated December 14, 2020, also attached hereto.

NOTE: Roll Call vote required.

MEMORANDUM

To: Paul Brean, Executive Director *PAB*

From: Anthony I. Blenkinsop, Deputy Director/General Counsel *AIB*

Re: Renewal of PDA's Insurance Program – Cross Insurance, Inc.

Date: December 14, 2020

In 2017, Cross Insurance, Inc. was selected to be the broker of record for seeking and binding the following insurance coverages for Pease Development Authority:

1. Commercial General Liability;
2. Business Auto;
3. Umbrella;
4. Crime/Employee Dishonesty;
5. Employment Practices;
6. Airport Liability;
7. Pollution liability (Skyhaven Airport Av Gas tank only); and
8. Cyber liability.

Attached please find a proposed premium summary for the upcoming year. While premiums have increased substantially for Commercial General Liability, Airport Liability, and Umbrella, premiums for Crime, Employment Practices, Pollution and Cyber coverages remained essentially the same. Coverage for Business Auto went down slightly. As noted in the premium summary, Commercial Package, Umbrella, and Airport Liability rates increased due to overall claim experiences industry wide, uncertainty in the insurance markets given the COVID pandemic, and a lack of interest by carriers in taking on the PDA's various types of exposures.

At the December 17, 2020, meeting of the Board of Directors, please request approval to bind all of the aforementioned coverages in the projected total amount of \$158,337.06 for the renewal policy period of 12/31/20 -12/31/21.

Proposed Premium Summary

Policy Type	Company	AM Best Rating	Standard & Poor Rating	Expiring Premium	Proposed Premium
Commercial Package/(General Liability & Contents)	Hanover	A	A	\$29,725	\$43,538
Business Auto	Safety Insurance	A	A	\$28,051	\$23,778
Umbrella	Burlington Ins Co.	A	A	\$10,671	\$36,050
Crime/Employee Dishonesty	Hanover	A	A	\$2,457	\$2,457
Employment Practices Liability	Chubb	A++	AA	\$9,590	\$9,590
Airport Liability	Starr Aviation	A	A+	\$27,578	\$32,974
Pollution	Freberg/Admiral	A+	A+	\$5,879.98	\$6,214.73
Cyber (NEW)	Allmerica Financial Benefit	A	A	\$3,735.33	\$3,735.33
Total				\$117,687.31	\$158,337.06

LATE ITEM

MOTION – X.A.2.

Director Loughlin:

The Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to accept and bind PDA property insurance coverage with USI – New England, Inc. as outlined on the schedule attached hereto, in the projected total premium amount of \$125,912.00 for the period of December 31, 2020 through December 31, 2021, as well as a 6 month extension of the builders risk policy for the ongoing Airport Terminal project in an projected amount of \$5,755.00, all in accordance with the memorandum of Anthony I. Blenkinsop, Deputy Director/General Counsel, dated December 14, 2020 and attached hereto.

NOTE: Roll Call vote required.

MEMORANDUM

To: Paul Brean, Executive Director *PaB*

From: Anthony I. Blenkinsop, Deputy Director/General Counsel *AB*

Re: Renewal of PDA's Property Insurance Program – USI New England, Inc.

Date: December 14, 2020

In 2017, USI New England, Inc. was selected to be the broker of record for seeking and binding property insurance coverage for the Pease Development Authority (“PDA”).

Attached please find a proposed premium summary for the upcoming year. As you will note, USI New England, Inc. negotiated a renewal in the projected amount of \$125,912.00. This coverage is applicable to PDA facilities which are owned, occupied or controlled by PDA (e.g., the Airport Passenger Terminal Building, the Air Traffic Control Tower, 55 International Drive). As to PDA owned buildings leased to third parties, tenants are responsible for securing property and other applicable coverages in accordance with the lease terms (e.g., Hangars 205, 212 and 213 leased to and occupied by Port City Air). The renewal premium represents a 15.53% increase over last year's rate, which is a function of the continuing hardening of the insurance market nationally due in large part to substantial losses stemming from events such as wildfires, floods, and storms, as well as the ongoing impact of COVID-19 to insurance markets generally. PDA's individual claims history continues to be fairly minimal. In addition, the builders risk policy in place on the ongoing Terminal construction project would be extended 6 months at a cost of \$5,755.00.

At the December 17, 2020, meeting of the Board of Directors, please request approval to bind property coverage in the projected total amount of \$125,912.00 for the renewal policy period of 12/31/20 -12/31/21, as well as a 6 month extension on the Terminal builders risk policy in the projected total amount of \$5,755.00.

Premium Summary

Coverage	Term	Carrier	AM Best Rating	Admitted or Non Admitted	Minimum Earned Premium	Expiring Term Premium	Proposed Term Premium
Property	12/31/20 - 12/31/21	Federal Ins Co (Chubb)	A++ XV	Admitted	n/a	\$96,905 Incls TRIA	*\$125,912 Incls TRIA
Inland Marine	12/31/20 - 12/31/21						
Builders Risk Extension	12/17/2020-6/17/2020	Aspen American	A XV	Admitted	n/a	\$14,461	\$5,755 Incls TRIA

***Due to the continuing renovations and active Builders Risk Policy in place at the Airport Terminal, the property value is based on current value of \$24,750,000. Once the renovations are completed in April 2021, the limit will be increased to \$44,000,000. The difference in premium on an annual basis is \$18,902 which will be prorated based on the date.**

	2017	2018	2019	2020	Value Change
Building	91,642,740	91,642,740	100,351,340	111,016,965	10.63%
Contents	3,000,000	3,000,000	3,028,000	3,000,000	-0.92%
EDP	440,200	440,200	440,200	485,000	10.18%
Business Income	3,486,000	3,486,000	3,360,200	3,412,000	1.54%
Mobile Equipment	6,328,834	6,328,834	7,786,828	7,613,049	-2.23%
Total Values	104,897,774	104,897,774	\$114,966,568	\$125,527,014	9.19%
Premium	\$78,567	\$78,567	\$97,303	\$125,912	29.40%
Rate	0.0749	0.0749	0.08499	0.09819	15.53%