

Port of Vancouver USA

Board of Commissioners Meeting

AUGUST 23, 2022



Intern Update



Summer Internship Overview

Board of Commissioners Meeting

AUGUST 23, 2022



Agenda

- Introduction
- Future Leaders Program
- Internship Overview
- Takeaways
- Questions



Introduction

- Anaflor Hernandez Sanchez
- Washington State University
- Business Management
- Future Leaders Program



Future Leaders Program

- Introduced through the Engaged Learning & Career Action Center
- Applications in March
- April-May → interviews
- June-Aug → internship



Engaged Learning & Career
Action Center for Students



Internship Overview

- Project updates (T1)
- HR related tasks
- Event help
- People met:
 - Julianna Marler
 - Patty Boyden
 - Alex Strogen
 - Phala Le
 - Econ Development team



Takeaways

- Networking and making connections
- Practical experience in professional settings
- Building communication skills
- Gaining knowledge of port activities



Questions?





Port of Vancouver USA

Summer Internship Overview



Hello!

I'm Kalie Morgan

- Washington State University Vancouver
- Environmental Science – *graduating summer 2023*
- Future Leaders Project – Recreation office
- Port of Vancouver opportunity



River of Opportunity

HIGHLIGHTS



T1 Ribbon Cutting Ceremony



CREDC AC Marriot Event



WDFW Port Tour



Fruit Valley Movie Night



Purple Martin Habitat



Rotary 100-year Celebration



Outcome

- Ports are a vital part of our communities
- It takes a team
- My value in the professional workplace
- Networking – lead to a job offer



Thank You!

Commissioners

Julianna Marler

Alex Strogen

Port Executive Leaders

Environmental Team

External Affairs Team

Economic Team

Mike Bomar



Open Forum

To provide virtual oral comment during the board meeting, you must register no later than 12:00 p.m. Monday, August 22, 2022, by emailing povcommissioners@portvanusa.com



Public Hearing: *Port Redistricting*

To provide virtual oral comment during the public hearing, you must register no later than 12:00 p.m. Monday, August 22, 2022, by emailing povcommissioners@portvanusa.com

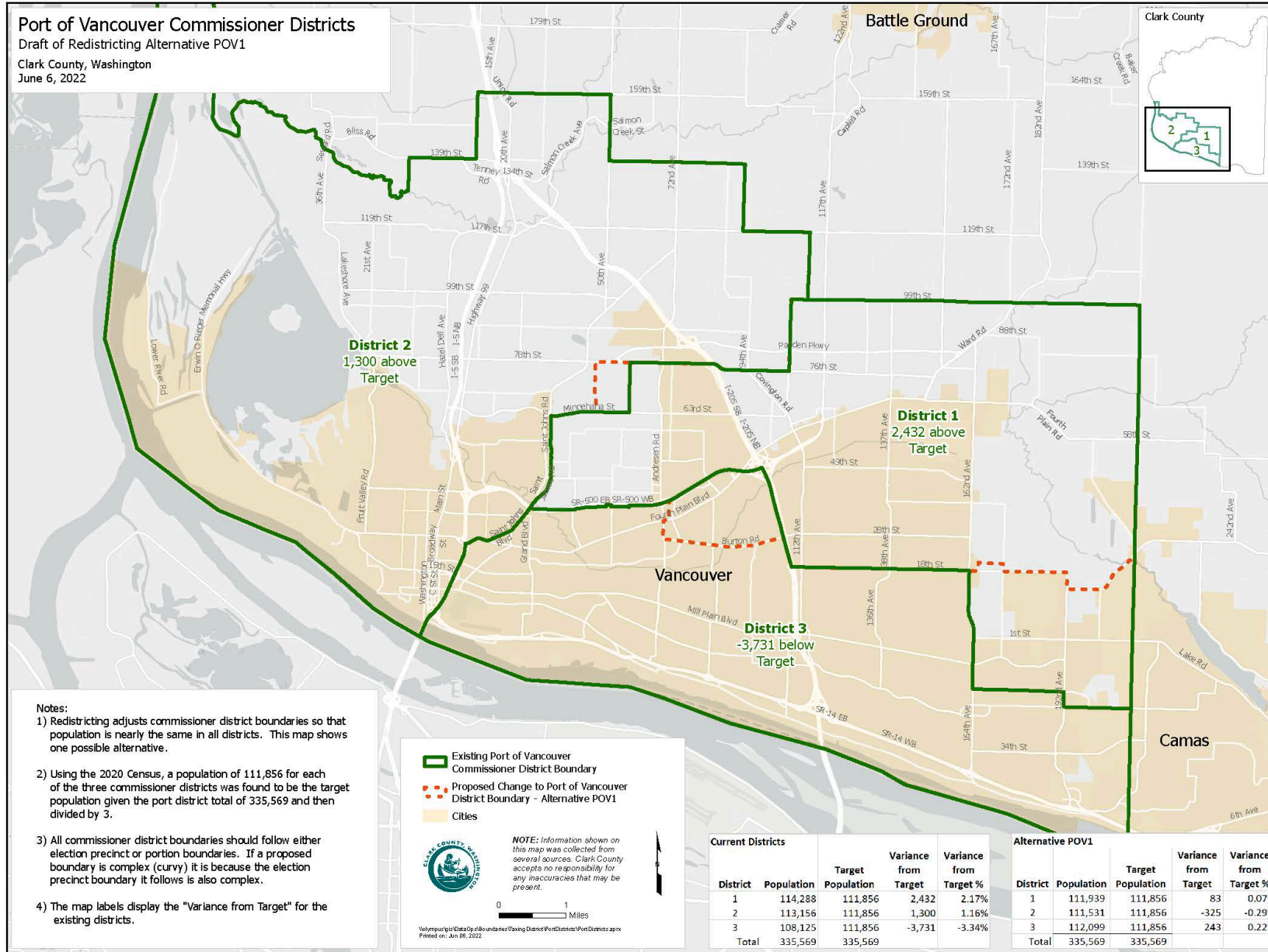


Port of Vancouver Commissioner Districts

Draft of Redistricting Alternative POV1

Clark County, Washington

June 6, 2022



Public Hearing:

Resolution 5-2022 for Limited Tax General Obligation Bonds - Action Item E-2

To provide virtual oral comment during the public hearing, you must register no later than 12:00 p.m. Monday, August 22, 2022, by emailing povcommissioners@portvanusa.com



Action Items



Action Item E-1

Approve Resolution 5-2022: Issuance and Sale of Limited Tax General Obligation Bonds



Action Item E-2

Resolution 6-2022: Terminating Resolution 2-2020:
Declaring Local Emergency and Delegation of
Authority of Emergency Powers



Action Item E-3

Approve Public Works Contract Bid 22-34: Berth 17
Rehabilitation Project



Action Item E-4

Approve Purchase of Fleet Vehicles





Unfinished Business



New Business



CEO Report



CEO Report H-1

Action taken under Resolution 2-2020: Declaration of
Local Emergency and Delegation of Authority of
Emergency Powers



CEO Report



Commissioners Reports



Upcoming Events

Next Commission Meeting

- Regular Commission Meeting – Tuesday, September 13, 9:30 a.m.

Community Events

- Hispanic Heritage Celebration Dinner - Wednesday, Sept. 14, 6-9 p.m. Oregon Convention Center
- Lincoln Neighborhood Association Meeting – Wednesday, Sept. 14, 6:30 p.m. via Zoom
- Vancouver Neighborhood Alliance – Wednesday, Sept. 14, 7 p.m., location TBD
- Final public port tour of the year - Thursday, Sept. 22 – tour is full. Watch in early 2023 for next year's tour dates and times.



Communicating with the Commission

- Share your thoughts during Open Forum, the public comment period for all regularly scheduled commission meetings.
- Email the commissioners at povcommissioners@portvanusa.com
- Speak to the commissioners by calling the port office at 360-693-3611 for specific contact information.
- Mail your comments to:
POV Board of Commissioners
3103 NW Lower River Road, Vancouver, WA 98660
- For more information, visit the port's website: www.portvanusa.com



Port of Vancouver USA

3103 NW Lower River Road

Vancouver, WA 98660

info@portvanusa.com

360-693-3611



Workshop

INSURANCE OVERVIEW



PRESENTATION TO

PORT OF VANCOUVER, USA

PROPERTY & CASUALTY
INSURANCE PROGRAM
OVERVIEW



PRESENTED BY:
ALLIANT INSURANCE SERVICES, INC.
August 23, 2022

** Images courtesy of Port of Vancouver, USA*

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About Alliant

We are a **Specialty Broker** focusing on specific industry segments. “Public Entity” is one of our largest industry specialties areas...



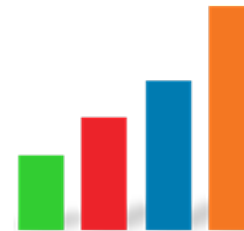
9,100+
Employees



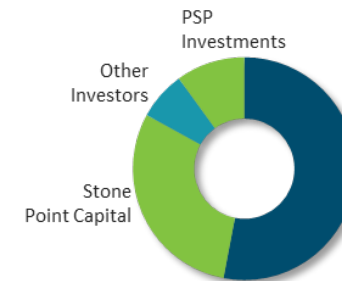
\$2.9 billion
In Revenue



880+
Offices Nationally



\$25.7 billion
Premium Volume



53.5%
Employee Owned

Alliant Seattle: Port Specialists

- Port of Vancouver's Service Team has been actively involved in Port-related matters for 20+ years.
- Alliant Value Added Services:
 - Risk Control / Consulting
 - Claims Consulting / Advocacy
 - Property Appraisal Services
 - Semi-Annual Risk Management Meetings
 - Strong staff knowledge of Port issues
 - Training on specialty subjects:
Insurance in Contracts
- Strong relationships with core Port insurers
- Alliant is a leader in the Port and Public Entity space at providing comprehensive Risk Management and Insurance solutions to our clients.

Key Port Clients



* Images courtesy of Port of Vancouver, USA

Pacific Northwest Port Association Group Benefits

- All insurance coverage forms are specifically tailored to provide comprehensive port specific coverage:
 - All of the Port's property is insured including piers, docks and wharves
 - Liability coverage includes Sudden and Accidental Pollution coverage
 - Removal of "Non-Owned" Wrecks is included under both Property and Liability policies
 - Cyber Liability is part of Vancouver's coverage portfolio
- There is no "risk sharing" between the members of Association. Each Ports' limits and loss experience is its own and there is no possibility of the Port incurring assessments.
- The Group purchase approach enables purchasing power to leverage premium volume on price and coverage.

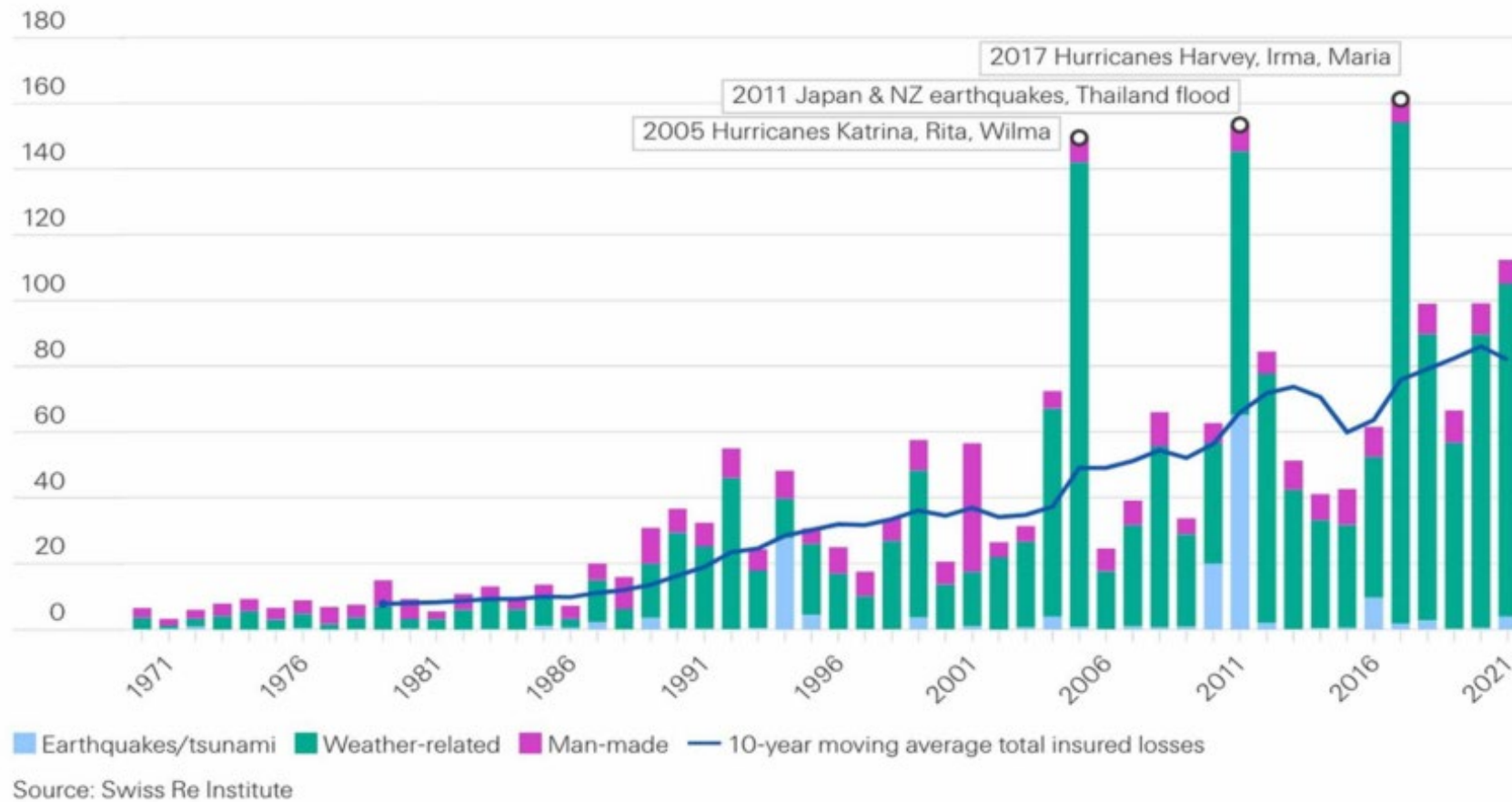
Pacific Northwest Port Association (PNWPA)

- In 1995, eight ports came together to purchase insurance. They are: Bellingham, Bremerton, Anacortes, Everett, Longview, Grays Harbor, Port Angeles and Vancouver.
- The Ports have used this Association to network and exchange risk management information with semi-annual meetings. Topics discussed include:
 - Earthquake models and their potential impact on premiums
 - Public Officials Liability and Employment Practices Claims and Loss Control Procedures
 - Raising water sea-levels
 - Recreational Immunity RCW 4.24.210
 - Public Officials Bonds
 - Cyber Liability: Coverage discussion
- Alliant has aggressively used the buying power of the group to control the impact of the changing insurance market on the Port of Vancouver.

2022: Property Market Overview

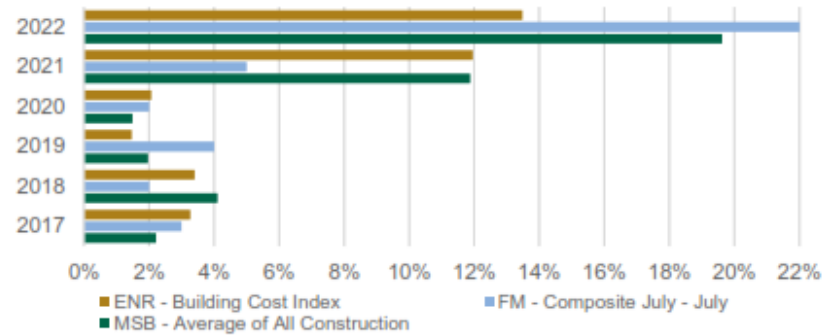
- The property market has experienced significant hardening over the last several years, after enjoying many years of soft conditions
- There is increased focus on proper valuation of insured assets, consistent with the US inflationary environment
- Signs are emerging that the difficult market may have already peaked as the level of rate increases subside

Insured Losses since 1970



Underwriter Focus: Valuation

Construction Cost Trends July Yearly



2022 Construction Cost Trends

13.5% ENR: Building Cost Index

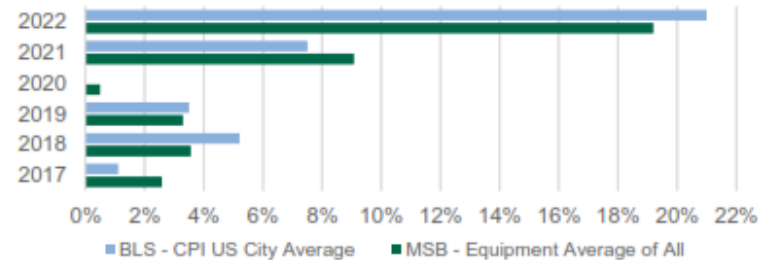
22.0% FM: Composite July - July

19.6% MSB: Average of all Construction

EQUIPMENT COST TRENDS

Equipment prices have also increased dramatically, rising an average of 20.1% over the last 12 months.

Equipment Cost Trends July Yearly



2022 Equipment Cost Trends

21.0% BLS: CPI US City Average

19.2% MSB: Equipment Average of All

Port of Vancouver 2022-23 Property Program

Port of Vancouver Values:
\$498,216,577

All Risk Blanket Limits for Each Port

- \$100,000,000 Business Interruption,
Rental Income and Tax Interruption
- \$100,000,000 Per Occurrence Terrorism
Coverage
- \$ 50,000,000 Certified & Non Certified Acts
(T3 Lloyds Form)
- \$ 50,000,000 **Earthquake and \$50,000,000**
Flood **Dedicated entirely to the Port of**
Vancouver
- \$ 50,000,000 Extra Expense
- \$ 50,000,000 Errors & Omissions
- \$ 15,000,000 Blanket Builders Risk
- \$ 10,000,000 Miscellaneous Unnamed Locations
- \$ 25,000,000 Automatic Acquisition Coverage
- \$ 1,000,000 Dredging and Removal of Wreck

Total Cost:

\$943,582

	<u>Limit</u> \$500,000,000
	\$100,000,000
	\$50,000,000
	\$25,000,000
	\$10,000,000
- \$25,000 Deductible "All Risk" perils - 5% / \$100,000 Minimum Earthquake - \$100,000 Flood except \$250,000 for property in 100 Year Flood Zone	

* Images courtesy of Port of Vancouver, USA

2022: Marine Liability Market Overview

- The Casualty market has also experienced significant hardening over the last several years, after enjoying many years of soft conditions
- Increased frequency of severe claims within the industry... “Nuclear Verdicts” and “Social Inflation”
- Jurisdictions such as Washington, that lack significant tort projections for public entities, are especially challenged
- Ports generally perceived by market as “best in class” within the public entity space
- The dramatic capacity reductions that marked the beginning phase of the current hard market are no longer prevalent

Projected 2022 Liability Insurance Program Port of Vancouver

\$50,000,000	EXCESS LIABILITY (\$38,898) Liberty Mutual Insurance Company (30%) Endurance Risk Solutions Assurance Company (15%) Aspen American Insurance Company (15%) Zurich American Insurance Company (15%) Stratford Insurance Company (10%) Great American Insurance Company (5%) Atlantic Specialty Insurance Company (5%) Ascot (5%)					WORKERS COMPENSATION L&I State Act Only NO Employers Liability, USL&H, Jones Act, FELA or Voluntary Compensation	POL/EPLI (\$42,670) Illinois Union Insurance Company
\$10,000,000	Navigators Insurance Company (55%) Endurance Risk Solutions Assurance Company (33%) Stratford Insurance Company (12%)						
\$5,000,000							
\$1,000,000	Marine General Liability (\$81,850) Liberty	Stop Gap (Incl.) Liberty	Auto Liability (\$69,738) Phila- delphia	Foreign Liability (\$475) Ins. Co. of the State of PA	Protection and Indemnity (\$3,278) Atlantic Specialty (60%) Navigators (40%)		

* Images courtesy of Port of Vancouver, USA

Expiring Cost =

\$226,000

PNWPA Marine Program Highlights

- Blended Marine and Non-Marine Coverage Form: One deductible in the event of a claim
- **First Dollar Defense (deductible applies to Indemnity Only)**
- Includes Sudden & Accidental Pollution Coverage
- Removal of Non-Owned Wrecks: Including the cost to remediate contamination
- Terrorism Coverage for certified and non-certified acts
- Strong, A+ rated insurers that understand Port exposures
- Value-Added Services: Risk Control, knowledgeable Claims Services, Risk Management Services, Contract Review and Analysis

Cyber Liability Coverage Overview

Coverage:	Cyber Liability + Coverage Enhancement Option (CEO)
Underwriter:	Lloyds of London – Beazley Syndicate Syndicate 2623-623 – 100%
Third Party Liability:	
Ai. Annual Policy and Program Aggregate Limit of Liability	\$45,000,000 for all insureds/members combined (Aggregate for all coverages combined, including Claims Expenses) subject to the following sublimits noted. CEO Enhancement: \$25M Aggregate does not apply to Notification Costs.
A. Information Security & Privacy Liability	\$2,000,000 Annual Aggregate (Aggregate for all coverages combined, including claims expenses)
CEO Enhancement	Additional Breach Response Limit: \$2,000,000 per Member Notification Services/Call Center/Breach Resolution & Mitigation Threshold: 50,000 Notified Individuals Legal Services, Forensic & Public Relations/Crisis Management: \$250,000
B. Privacy Notification Costs	\$500,000 Annual Aggregate (\$1,000,000 if Beazley Vendor Services are used)
C. Claims Expenses and Penalties for Regulatory Defense & Penalties	\$2,000,000 Annual Aggregate
PCI Fines/Penalties	\$2,000,000 Sublimit
D. Website Media Content Liability	\$2,000,000 Annual Aggregate

Cyber Liability Coverage Overview

Coverage:	Cyber Liability + Coverage Enhancement Option (CEO)
First Party Computer Security:	
E. Cyber Extortion Loss	\$750,000 Aggregate Sublimit
F. Data Protection Loss and Business Interruption Loss	\$750,000 Aggregate Sublimit
G. First Party Business Interruption Sublimits	\$750,000 Aggregate Sublimit
Coverage Endorsements: Cyber Criminal Reward Funds Transfer Fraud Fraudulent Instruction Telecommunications Fraud Consequential Reputation Loss Cyber Public Relations Consultancy Costs CEO Enhancement: Dedicated Beazley Response Team	\$25,000 Policy Aggregate \$50,000 Policy Aggregate \$50,000 Policy Aggregate \$50,000 Policy Aggregate \$50,000 Policy Aggregate Increased to No Cap Included
Retention: CEO Enhancement Retention:	\$100,000/Each Claim except the following: <ul style="list-style-type: none"> • Notified Individuals Threshold: 100 Notified Individuals • Legal, Forensics & Public Relations/Crisis Management: \$10,000, except \$5,000 for Legal
Retroactive Date:	July 1, 2010
Coinsurance:	N/A
Notice of Cancellation:	Non-Cancellable except, 10 days for Non-payment of Premium
Premium:	Included in Property Premium

Public Officials / Employment Practices Liability

Coverage:	Public Officials/Employment Practices Liability
Underwriter:	Illinois Union Insurance Company (ACE) – 100%
Premium:	\$42,670
Limit of Liability: Public Officials Liability Employment Practices Liability Maximum Policy Aggregate	\$5,000,000 \$5,000,000 \$5,000,000
Retention: Public Officials Liability Employment Practices Liability	\$25,000 \$25,000
Non-Monetary Coverage – Defense Only	\$1,000,000 Sublimit
Crisis Management	\$50,000 All Events
Retroactive Date	None
Defense Expenses:	Modified Outside the Limit
Other Conditions:	<ul style="list-style-type: none">• Punitive damages with a most favorable venue• Back-pay and forward-pay• 90 Day free Mini-Tail• Non-cancelable policy, except for non-payment of premium• Consent to Settle Clause of 70/30

Conclusion

- Ports are unique in the insurance marketplace:
 - Diverse Operations
 - Marine and Dry exposures
 - Public Entity coverage issues
- The insurance market for Ports is very narrow, requiring a commitment from the marketplace to understand/appreciate the nuances.
- Alliant has developed highly customized coverage forms to address specific Port needs.
- Alliant Insurance Services has 20+ years of Port Industry Experience.

Thank You!

