

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Finance, Personnel, and Insurance Committee

The Finance, Personnel, and Insurance Committee of the Board of Commissioners of the Metropolitan Knoxville Airport Authority met at the 510 Center located at 2950 Airfield Service Drive, Alcoa, Tennessee, pursuant to notice at 3:30 p.m. on Wednesday, June 17, 2020. Commissioners had the option to attend the meeting electronically, due to the COVID-19 pandemic.

Commissioner Charles Harr, Chairman of the Committee, presided and other members present in person or electronically were Julia Bentley, Joe Dawson, Jeff Smith, and Eddie Mannis, Board Chairman, as an ex officio member of the Committee. Also attending were Ursula Bailey, Maribel Koella, and Howard Vogel, members of the Board of Commissioners, Patrick Wilson, President of the Airport Authority, Nancy White, Vice President of Finance of the Airport Authority, and other members of the Airport Authority's staff; Mark Mamantov, legal counsel, who acted as secretary at the request of the Chair. Members of the public were permitted to join the meeting electronically, pursuant to instructions posted on the Airport Authority's website.

The Chair first asked for a motion for the Committee to agree that this Finance, Personnel, and Insurance Committee meeting be held electronically as it is necessary to protect the health, safety, and welfare of the citizens of Tennessee. Mr. Dawson made the motion, and Mr. Mannis seconded the motion. The motion was then approved by unanimous roll call vote of the members of the Committee.

The Chair noted that the minutes of the last meeting of the Finance, Personnel, and Insurance Committee held on May 20, 2020, had been distributed with the agenda materials, and upon motion duly made and seconded, the minutes were approved by unanimous roll call vote.

The first order of business was consideration of the renewal of the Airport Authority's airport liability insurance policy. Kathryn Woodall, with D.R. Cox and Company, provided information to the Committee for the proposed renewal with Chubb, formerly ACE USA. Chubb agreed to renew the \$200,000,000.00 policy at a rate increase of 3.9%. Upon motion duly made and seconded, the Committee approved the renewal of the airport liability insurance, as presented by Ms. Woodall, by unanimous roll call vote.

The second order of business was consideration of the renewal of the Airport Authority's property insurance policy. Don Wake, with TIS Insurance Services, provided information to the Committee for the proposed policy with Travelers Insurance Company. Mr. Wake explained that after soliciting quotes, Travelers Insurance Company, the Airport Authority's current provider, provided the most competitive quote. Under the proposed policy, the insured property value is \$238,658,720.00 for a total premium of \$176,950.00. Upon motion duly made and seconded, the Committee approved procuring a property insurance policy with Travelers Insurance Company, as presented by Mr. Wake, by unanimous roll call vote.

The third order of business was consideration of the renewal of the Airport Authority's airport cyber and privacy insurance policy. Ms. Woodall explained that after soliciting quotes, Chubb, the Airport Authority's current provider, presented the best quote at \$14,357.00, or a decrease of 25%. Upon motion duly made and seconded, the Committee approved the airport cyber and privacy insurance policy, as presented by Ms. Woodall, by unanimous roll call vote.

The fourth order of business was consideration of the renewal of the Airport Authority's worker's compensation insurance policy. Again, Ms. Woodall provided information to the Committee for the proposed renewal. Ms. Woodall explained that the Airport Authority moved to AIG Aerospace in 2018 due to the previous difficulties with North Point Insurance Company's third-party claims management. The Airport Authority's staff has reported that the claims management process has been excellent since moving to AIG Aerospace. The estimated premium for the renewal term is \$88,175.00, a 28% decrease from the prior year. Upon motion duly made and seconded, the Committee approved the renewal of the worker's compensation insurance policy, as presented by Ms. Woodall, by unanimous roll call vote.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 3:58 p.m.



Acting Secretary