



**TRUCKEE MEADOWS FIRE PROTECTION DISTRICT
STAFF REPORT**

Board Meeting Date: June 23, 2026

DATE: June 11, 2026

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Crystal Sublet, Chief Fiscal Officer
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SUBJECT: Recommendation to approve Property, Liability and Workers' Compensation policies for the Truckee Meadows Fire Protection District for one year beginning July 1, 2026, for a total amount not to exceed \$2,320,495; and authorize the purchase of insurance based upon the recommendation. The recommended selection includes a new property, liability, auto, cyber and pollution coverage policy through membership in the Nevada Public Agency Insurance Pool (NPAIP), to include the Board's approval of a resolution authorizing membership in the NPAIP; a renewal of a crime/employee dishonesty coverage policy through Travelers Bond & Specialty ("Travelers") for a combined cost of \$442,365; as well as a workers' compensation and employer's liability coverage policy renewal through 7710 Insurance Company ("7710") for a cost of \$1,878,130 (All Commission Districts). FOR POSSIBLE ACTION

SUMMARY

This is a request to approve Property, Liability and Workers' Compensation policies for the Truckee Meadows Fire Protection District for one year beginning July 1, 2026, for a total amount not to exceed \$2,320,495; and authorize the purchase of insurance based upon the recommendation. The recommended selection includes a new property, liability, auto, cyber and pollution coverage policy through membership in the NPAIP and renewal of a crime/employee dishonesty coverage policy through Travelers for a combined cost of \$442,365; as well as a workers' compensation and employer's liability coverage policy renewal through 7710 for a cost of \$1,878,130.

PREVIOUS ACTION

June 4, 2024, the Board approved a Property and Liability Insurance and Workers' Compensation Insurance Proposal for TMFPD for one year beginning July 1, 2024, for a total estimated premium of \$1,910,621 and authorized the purchase of insurance based upon the Proposal. This amount included \$52,345 in premiums to renew two, three-year term policies.

June 3, 2025, the Board of Fire Commissioners (Board) approved a Property and Liability Insurance and Workers' Compensation Insurance Proposal for the Truckee Meadows Fire Protection District for one year beginning July 1, 2025, for a total estimated annual premium of \$1,819,118 and authorized the purchase of insurance based upon the attached Insurance Renewal Summary. The Proposal included Property, Casualty, Professional, and Excess Liability Insurance to be provided by VFIS and included Crime/Employee Theft Insurance through Travelers Bond & Specialty, Cyber Liability through AIG Specialty, and Workers' Compensation through 7710 Insurance Company.

BACKGROUND

Insurance Market Conditions: Insured natural catastrophe losses were expected to exceed \$100 billion for the sixth consecutive year in 2025, according to Swiss Re. This was 24% lower than 2024 (thanks to a quiet hurricane season) and 3% below the ten-year average. The U.S. property/casualty (P/C) industry recorded a \$13.7 billion underwriting gain for the first six months of 2025 according to NAIC – following a \$25.3 billion gain for the full year in 2024. The industry's combined ratio of losses and expenses improved to 96.4% for the first half of 2025 and is expected to remain in this range for the full year. Although property insurance rates have improved, rates for casualty/professional, auto and excess liability continue to face upward pressure due to adverse claims and litigation trends.

PROPERTY & LIABILITY MARKETING

The District and the District's broker, USI Insurance Services, monitor the insurance marketplace, which includes limited options for emergency service organizations. Based on recent concerns with the current insurers, USI's local team requested quotes from specialty insurance companies and programs. Although several declined quotes, USI obtained three options for Property & Liability. After review of the three options, staff has recommended option #2 with the Nevada Public Agency Insurance Pool and Travelers. This will involve the Board approving a resolution authorizing membership in the NPAIP and committing to follow the NPAIP's interlocal agreement and bylaws.

Property & Liability Options: After an extensive marketing effort, USI obtained three program options for consideration.

- 1) VFIS, AIG Specialty, Travelers & Great American: \$479,620 (an increase of 11%)
- 2) Nevada Public Agency Insurance Pool & Travelers: \$442,365 (an increase of 2%)
- 3) Amynta/Hudson, Golden Bear, Accredited Specialty, TBD, AIG Specialty, Travelers & Great American: Estimate: Est. \$588k to \$638K (an increase of 35% to 47%)

The current annual cost for the property and liability coverage expiring on June 30, 2026 is \$433,345. The premium for recommended option #2 includes an estimated premium to add the new Fire Station #35 once completed.

Founded as Volunteer Firemen's Insurance Service in 1969, VFIS is a leading insurer of more than 12,000 fire and emergency service organizations in the United States and Canada. VFIS provides insurance, education, and training to more emergency services organizations in North America than any other provider. VFIS is a member of Glatfelter Program Managers, one of the

largest insurance program managers in the United States. VFIS coverage is provided through National Union Fire Insurance Company, which is rated A (Excellent), XV by A.M. Best.

The Nevada Public Agency Insurance Pool (NPAIP) was formed in 1987. By pooling resources, Nevada public entities can obtain superior and cost-effective general liability and property casualty coverage at a reasonable cost and benefit from incomparable human resources and risk management resources which benefit employees and the public they serve. Both pools were organized under Nevada's Interlocal Cooperation Act. Interlocal Agreements were designed to permit local government entities to band together and share in the provision of essential services. NPAIP is owned, controlled and governed by its members. As a pooling organization, NPAIP is not rated by A.M. Best. NPAIP has earned the Advisory Standards Recognition from the Association of Governmental Risk Pools (AGRiP). The award recognizes those pools that adhere to the eighty-eight "best practices" standards as established by AGRiP's Membership Practices Committee, relating to the governance, management, financial accounting and operation of the pool.

Amynta EOB is a newer program for fire and rescue operations, providing property, casualty, professional liability program designed specifically for small to mid-size fire and rescue departments. Coverage is underwritten through Hudson Insurance Company, which maintains an A.M. Best rating of A+ (Superior) with a financial strength rating of XV.

Travelers Bond & Specialty offers a wide variety of insurance and surety products and risk management services to numerous types of businesses, organizations, and individuals. Travelers Casualty and Surety Company of America, the primary underwriting company for Travelers Bond, is rated "A+" (Superior), XV by A.M. Best for financial strength and claims-paying ability.

AIG Specialty is an underwriting carrier for cyber liability insurance to address the financial costs associated with a breach, as well as first-party costs, including event management, data restoration, financial costs to third parties, network interruption, and cyber extortion. AIG Specialty is rated "A" (Excellent), XV by A.M. Best.

WORKERS' COMPENSATION MARKETING

The workers' compensation markets are extremely limited for fire districts and other employers with presumptive benefit exposures. Following an attempt by the incumbent workers' compensation insurer to non-renew the district, USI explored the marketplace for options. USI then identified statutory issues with their notice and worked with the Nevada Division of Insurance to obtain a renewal quote from the incumbent, 7710 Insurance Company. Several other insurers declined to quote, primarily based on presumptive benefit exposure and claim experience.

Workers' Compensation Experience Rating: Experience rating uses an employer's incurred loss experience and compares it to the average losses of other employers with similar employment exposures. Employers are assigned an experience modification factor (E-Mod) based on their loss experience. The resulting modification factor is applied to the employer's rated premium – and may result in an increase, decrease or no change.

The district's current E-Mod is 1.72 effective July 1, 2026, resulting in a 72% premium surcharge of \$1,005,346. This surcharge is partially offset by \$525,350 in premium credits negotiated previously by USI.

Workers Compensation Concerns for 2027: Presumptive benefit laws provide significant coverage for qualifying emergency response personnel in Nevada, including claims involving heart, lung and cancer exposures. Nevada Senate Bill 7, passed during the 2025 special session in response to a Nevada Supreme Court Ruling, established a consultive presumption for lung disease with retroactive application. With standard insurance market declining to quote for entities with presumptive benefit exposures, fire districts have been reliant on limited options, including the Public Agency Compensation Trust (PACT) and 7710 Insurance Company (7710). Other entities have self-insured the exposure, with excess insurance for major losses as required by Nevada law.

The District and USI will continue to monitor the marketplace, with a focus on identifying and developing potential alternatives to the current insurance company (7710) – since they are likely to seek non-renewal in 2027. USI will also work with the District and its insurance company to actively monitor claims, discuss open claims monthly and provide a quarterly analysis of losses and projected experience rating.

7710 Insurance provides specialized Workers' Compensation for first responder organizations throughout the United States. 7710 provides loss control, claims management, and health and fitness program consultation to help prevent and mitigate risk for its insured organizations. 7710 Insurance Company is rated A (Excellent), VII by A.M. Best.

Workers' Compensation and Employer's Liability Option:

7710 Insurance Company: \$1,878,130 (an increase of 34.8%)

Total Property, Liability, Workers Compensation and Employer's Liability Premiums:

Option 1: \$2,357,750 (A total combined increase of 29%)

Option 2: \$2,320,495 (A total combined increase of 27%); This is the recommended option and includes coverage for the TMFPD's new Fire Station #35.

Option 3: Est. \$2.4 to \$2.5 million (A total combined increase of 35% to 37%)

The attachment includes information regarding exposure changes as well as a coverage and premium comparison for all the options listed above.

FISCAL IMPACT

The annual cost for the renewal options ranges from \$2,320,495 to \$2,516,347. Recommended option #2 provides the lowest cost at \$2,320,495. This is within the District's Fiscal Year 2026/27 budget for general and workers' compensation insurance.

RECOMMENDATION

Staff recommend approval of Property, Liability and Workers' Compensation policies for the Truckee Meadows Fire Protection District for one year beginning July 1, 2026 for a total amount not to exceed \$2,320,495; and authorize the purchase of insurance as recommended.

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion would be:

"I move to approve the Property, Liability and Workers' Compensation policies for the Truckee Meadows Fire Protection District for one year beginning July 1, 2026 for a total amount not to exceed \$2,320,495; approve a resolution authorizing membership in the NPAIP; and authorize the purchase of insurance as recommended".