



INSURANCE RENEWAL OPTIONS & WORKERS' COMPENSATION STRATEGY FOR:

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

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Insurance Renewal Options

July 1, 2026 to July 1, 2027

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only. This is a proposal of coverage only. It is not a binder. This proposal does not amend or alter the insurance contract. Please refer to the policy contract for specific terms, conditions, limitations, and exclusions

Executive Summary

USI Insurance Services is pleased to present Truckee Meadows Fire Protection District with insurance renewal options for the 2026-2027 policy period. This summary outlines the marketing process, highlights key actions taken by USI, and compares premium and coverage options available to the district.

Property & Casualty

- ✓ VFIS has insured the district since July 2019 and has been a leading emergency services insurer.
- ✓ During the past term, VFIS attempted to implement a mid-term fuel mitigation exclusion. USI successfully intervened to have this exclusion removed. However, VFIS now proposes excluding these exposures under excess liability at renewal.
- ✓ USI sought alternative quotes from specialty carriers. Most declined due to pricing and risk profile; however, quote options were obtained from VFIS, Nevada Public Agency Insurance Pool (NPAIP), and Amynta/Hudson, et al.

Workers' Compensation

- ✓ The markets are extremely limited for fire districts due to presumptive benefit exposures, heightened by the recent SB7 legislation which expanded conclusive presumption for lung disease.
- ✓ The Nevada Division of Insurance approved a 21.6% loss cost increase in March 2026, resulting in higher classification rates for all employers.
- ✓ 7710 Insurance Company, the District's carrier since 2019, announced non-renewal for all Nevada fire districts. After a thorough marketing effort, alternatives were sought from the Assigned Risk Program, Safety National, and Public Agency Compensation Trust (PACT).
- ✓ USI identified statutory issues with 7710's non-renewal process and, collaborating with the Nevada Division of Insurance, secured a renewal quote to avoid further premium increases.

We appreciate the opportunity to serve the Truckee Meadows Fire Protection District and are committed to providing comprehensive coverage at the best value from our local service team.

Brandon Lewis, CPCU, ARM-P, AIC
USI Insurance Services
Reno, NV

*Premiums included estimated amounts to include the new fire station #35, subject to confirmation of insurable values.

Marketing Highlights

- 11 specialty insurers & programs
- 7 declinations
- 1 indication (not competitive)
- 3 quote options

Property/Casualty Costs*

- Expiring: \$430,017
- Option 1: \$479,620 +10.7%
- Option 2: \$442,365 +2%
- Option 3: est. \$88k to \$638k
+35% to 37%

Workers' Comp – Key Elements

- Limited Markets
- Presumptive Benefits/SB7
- Firefighter class rate increased 25%
- Claims experience surcharge up 11%
- Incumbent attempted to non-renew
- USI/Regulatory Intervention

Workers' Comp Costs

- Expiring: \$1,491,107
- Renewal: \$1,878,130 +35%

Total Program Cost Options*

- Expiring: \$1,826,220
- Option 1: \$2,357,750 +29%
- Option 2: \$2,320,495 +27%
- Option 3: est. \$2.4 to \$2.5M +37%

Exposure Comparison

Exposures	2025/26	2026/27	Variance	%
Building & Content Values	\$39,181,681	\$ 40,377,244	\$1,195,563	3%
Rated Portable Equipment Values	\$1,305,869	\$ 1,305,869	-	-
Fire and other non-medical runs	3,717	2,999	(718)	(19%)
Emergency medical or first responder medical runs	8,672	10,374	1,702	19%
# of Vehicles	151	154	3	2%
# of Employees	212	206	(6)	(2.8%)
Budgeted Revenue (Cyber)	\$58,283,053	\$55,551,849	(\$2,731,204)	(4.7%)
Estimated, Capped Payroll (Worker's Comp)	\$8,742,000	\$8,301,000	\$441,000	5%

Note:

Exposures above do not include the new Fire Station #35 at 21233 Reno Technology Parkway.

Market Summary

Market	Coverage	AM Best Rating	Financial Strength	Surplus Lines?
Renewal Option #1 (VFIS, et al)				
National Union Fire Ins. Co. (VFIS)	Property & Liability	A (Excellent)	XV (\$2b or more)	No
AIG Specialty Ins. Co.	Cyber	A (Excellent)	XV (\$2b or more)	Yes
Travelers Casualty & Surety Co of America	Crime	A+ (Superior)	XV (\$2b or more)	No
Great American E&S Ins. Co.	Pollution	A+ (Superior)	XV (\$2b or more)	Yes
7710 Insurance Company	Workers Comp	A (Excellent)	IX (\$250 to \$500m)	No
Renewal Option #2 (NPAIP, et al)				
Nevada Public Agency Insurance Pool	Property, Liability, Cyber, Crime & Pollution	Not rated	Not rated	N/A
Travelers Casualty & Surety Co of America	Crime	A+ (Superior)	XV (\$2b or more)	No
7710 Insurance Company	Workers Comp	A (Excellent)	IX (\$250 to \$500m)	No
Renewal Option #3 (Amynta, et al)				
Hudson Insurance Company	Property & Liability	A+ (Superior)	XV (\$2b or more)	No
Golden Bear Insurance Company	Excess Earthquake	A (Excellent)	VII \$100M to \$250M	Yes
Accredited Specialty Ins. Co	Excess Liability	A- (Excellent)	IX \$250M to \$500M)	Yes
TBD (various insurers)	Excess Liability	TBD	TBD	TBD
AIG Specialty Ins. Co.	Cyber	A (Excellent)	XV (\$2b or more)	Yes
Travelers Casualty & Surety Co of America	Crime	A+ (Superior)	XV (\$2b or more)	No
Great American E&S Ins. Co.	Pollution	A+ (Superior)	XV (\$2b or more)	Yes
7710 Insurance Company	Workers Comp	A (Excellent)	IX (\$250 to \$500m)	No

Surplus lines insurance is not protected by the state guaranty fund. Premiums are subject to additional taxes and fees.

Coverage Comparison

Coverage/Description	Expiring	Option 1	Option 2	Option 3
Property & Equipment Coverage	VFIS	VFIS	NPAIP	Amynta, et al
Replacement Cost Coverage	Included	Included	Included	Included
Property Deductible	\$2,500	\$2,500	\$5,000	\$2,500
Equipment Deductible	\$1,000	\$1,000	\$5,000	\$2,500
Earthquake Limit	\$25M	\$25M	\$150M*	\$12M
Earthquake Deductible	5% min \$100k	5% min \$100k	\$5,000	5% min \$100k
Flood Limit	\$25M	\$25M	\$150M*	\$12M
High Hazard Flood Limit	Included above	Included above	\$25M*	Included above
Flood Deductible	\$1,000**	\$1,000**	\$5,000	\$25,000
Liability & Auto Coverage	VFIS	VFIS	NPAIP	Amynta, et al
Primary Liability Limits	\$1M/\$2M	\$1M/\$2M	\$10M/\$10M***	\$1M/\$10M
Excess Liability Limits	\$10M/\$20M	\$10M/\$20M	N/A	Pending: \$14M/\$20M
Coverage for Fuel Mitigation Work (underwriting review & approval required)	Included	Included	Included: NV Only	Included
Defense Costs	Outside Limit	Outside Limit	Inside Limit	Outside Limit
Includes Claims Made Liability Coverage?	Yes	Yes	Yes	Yes
Liability Deductible	N/A	N/A	\$5,000	N/A
Valuation: Emergency Vehicles	Agreed Value	Agreed Value	Agreed Value	Agreed Value
Valuation: Other Vehicles	Actual Cash Value	Actual Cash Value	Market Value	Agreed Value
Cyber Coverage	AIG Specialty~	AIG Specialty~	NPAIP	AIG Specialty~
General Limit/Aggregate	\$2M/\$2M	\$2M/\$2M	\$1M/\$15M*	\$2M/\$2M
Deductible	\$75,000	\$75,000	\$25,000	\$75,000
Crime Coverage	Travelers	Travelers	NPAIP & Travelers	Travelers
General Limit/Aggregate	\$2M	\$2M	\$2M	\$2M
Deductible	\$25,000	\$25,000	\$5,000/\$25,000	\$25,000
Pollution Coverage	Great American~	Great American~	NPAIP	Great American~
General Limit/Aggregate	\$2M	\$2M	\$2M	\$2M
Deductible	\$75,000	\$75,000	\$25,000	\$75,000
Workers' Compensation Coverage	7710	7710	7710	7710
Workers Compensation	Statutory	Statutory	Statutory	Statutory
Employer's Liability Limits	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Deductible	N/A	N/A	N/A	N/A

* Shared aggregate limit **per premises ***\$20M aggregate limit for NVE contract ~surplus lines insurer

Premium Comparison

Coverage/Description	Expiring	Option 1	Option 2	Option 3
Property, Liability, Auto & XS	VFIS	VFIS	NPAIP	Amynta (et al)
Property/Earthquake/Flood	\$98,185	\$145,839~	\$439,310~	\$141,200*
Portable Equipment	\$20,798	\$14,023	Included	\$20,798
Auto Liability & Physical Damage	\$169,762	\$164,445	Included	\$169,762
General Liability	\$13,958	\$25,448	Included	\$13,958
Management Liability	\$38,477	\$34,804	Included	\$38,477
Excess Liability (various insurers)	\$46,093	\$50,167	N/A	Est. \$209,127
Cyber Coverage*	AIG Specialty	AIG Specialty	NPAIP	AIG Specialty
Premium	\$23,897	\$22,858	Included	\$22,858
Crime Coverage	Travelers	Travelers	NPAIP/Travelers	Travelers
Premium	\$4,400	\$4,261	\$3,055	\$4,261
Pollution Coverage*	Great American	Great American	NPAIP	Great American
Premium**	\$17,775	\$17,775	Included	\$17,775
Subtotal	\$433,345	\$479,620	\$442,365	Est. \$588k to \$638k
% Variance		11%	2%	Est. 35% to 47%
Workers Comp & Employers Liab,	7710	7710	7710	7710
Estimated Annual Premium	\$1,392,875	\$1,878,130 +35%	\$1,878,130 +35%	\$1,878,130 +35%
Total Estimated Annual Cost	\$1,826,220	\$2,357,750	\$2,320,495	Est. \$2.4 to \$2.5M
% Variance		29%	27%	Est. 35% to 37%

* Premium includes surplus lines taxes & fees for coverage placed with a non-admitted insurer.

** Annualized cost listed of three-year pollution policy (2024/2027) included for comparison.

~The premiums for options #1 and #2 include an estimate for the new fire station (#35).

Workers' compensation premium are subject to audit base don actual, capped payroll.

Insurance Requirements (Key Contracts)

The following tables provide an overview of the limits of insurance and key terms required under each contract, but do not necessarily represent the full terms and conditions. Please review each contract for specific requirements.

Coverage	NV Energy	Liberty Utilities	Carson Training Fac.	UNR (Whittell)	Option 1	Option 2	Option 3
Description	Requirements	Requirements	Requirements	Requirements	VFIS/ 7710	NPAIP/ 7710	Amynta/ 7710
General Liability	\$1M/\$2M	\$1M/\$2M	\$1M/\$2M	\$5M	\$1M/\$2M	\$10M/\$10M*	\$1M/\$10M
Auto Liability	\$1M	\$1M	\$1M	\$1M	\$1M	\$10M/\$10M*	\$1M
Workers Comp	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
Employer's Liability	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M
Excess/Umbrella Liability	\$5M/\$20M	\$4M/\$4M	-	-	\$10M/\$20M^	N/A	Pending: \$14M/\$20M
Network Security/Privacy	\$1M	-	-	-	\$2M	\$1M	\$2M
Additional insured status	Required	Required	Required	Required	Included	Limited#	Included
Primary/non-contributory~	Required	Required	Required	Required	Included	Not available	Included
Waiver of subrogation~	Required	-	Required	-	WC: Requires endorsement	WC: Requires endorsement	WC: Requires endorsement

* NPAIP endorsement increases their aggregate liability limit to \$20M for the NV Energy agreement.

~ Additional insured, primary/non-contributory and waiver of subrogation coverage provisions may only apply if required by written contract.

^ VFIS renewal will exclude Nevada Energy and a wide range of other fuel mitigation work under excess liability.

NPAIP provides additional insured status for standard cases (i.e. lease of vehicle, equipment or premises) but requires review and approval to provide additional insured status for other cases (i.e. \$2M for Nevada Energy).

Services and Resources

Description	Option 1 (VFIS, et al)	Option 2 (NPAIP, et al)	Option 3 Amynta, et al)
Risk Control Consulting	Included	Included	Included
Claims Administration	Included	Included	Included
Human Resources Consulting	N/A	Included	N/A
Governing Board/Staff Training	N/A	Included	N/A
Risk Management Services	Limited	Included	Limited
Property Appraisals	N/A	Included	N/A

Other Considerations

Option 1 (VFIS, et al)

- VFIS provides a quarterly payment plan unless annual billing is preferred.

Option 2 (NPAIP, et al)

- NPAIP invoices the full, annual premium at placement.
- NPAIP requires approval of their Interlocal Agreement and Bylaws for membership with an initial, two-year commitment.

Option 3 (Amynta, et al)

- Various insurers provided quotes for this option. Most insurers require annual payment.
- Pending confirmed pricing and terms for final \$10M excess liability layer (markets will confirm if this option is preferred).

7710 (Workers Comp)

- 7710 offers a payment plan of 8.33% down followed by 11 installments.

Workers' Compensation Discussion

Experience Rating & Claims Strategy



June 23, 2026

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

WORKERS' COMPENSATION EXPERIENCE RATING

THE USI ONE ADVANTAGE®
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Experience Rating Overview

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 modification factor is applied to the employer's rated premium.
- The factor may result in an increase, decrease or no change in premium.

Key elements

- Measures how often claims occur (accident frequency) and the cost (accident severity).
- Greater weight is given to accident frequency than accident severity.
- Provides an employers with an incentive to reduce the frequency and severity of losses.

Additional info

- The E-Mod is calculated based on up to three years of payroll and loss data for most employers.
- A calculation effective in 2026 would utilize data from 2022 to 2024.
- The most recent year (2025) is not included since the claims are not fully developed.

Experience Modification Analysis

USI'S PROCESS:



Step 1: Understanding the impact of your E-Mod on workers compensation cost



Step 2: Analyze current E-Mod to confirm accuracy, correcting errors in premium



Step 3: Provide a comprehensive analysis, quantifying future opportunity for E-Mod improvement and premium savings



Step 4: Analyze claims and identify loss trends driving current E-Mod, allowing for focused mitigation efforts and continued premium savings

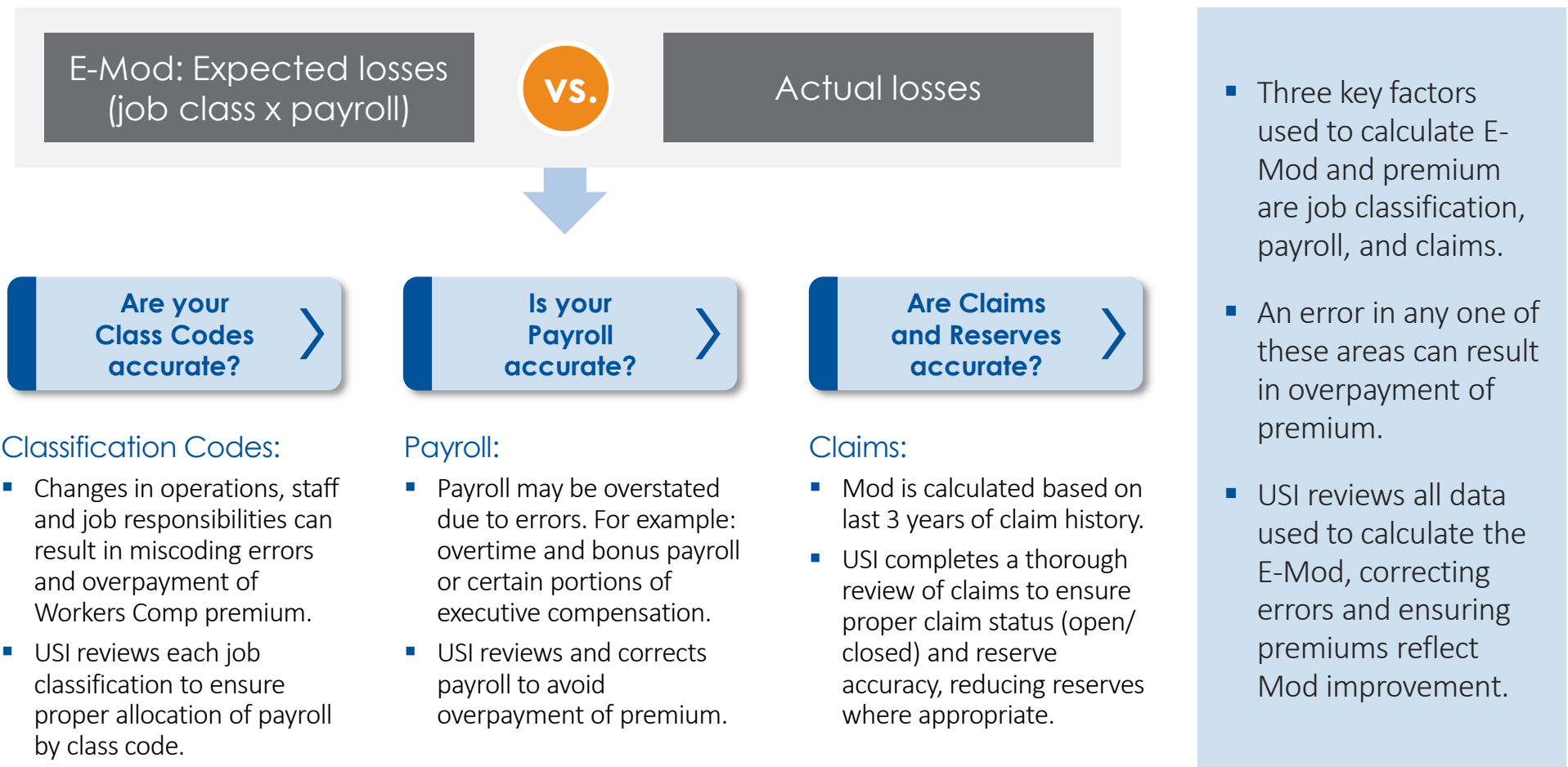
1. Impact of Experience Rating on Premiums

Impact on Premium	Manual Premium		E-Mod		Modified Premium	Impact
	\$1,000,000	✗	0.75	=	\$ 750,000	(\$250,000)
	\$1,000,000	✗	1.00	=	\$1,000,000	Nil
	\$1,000,000	✗	1.75	=	\$1,750,000	\$750,000

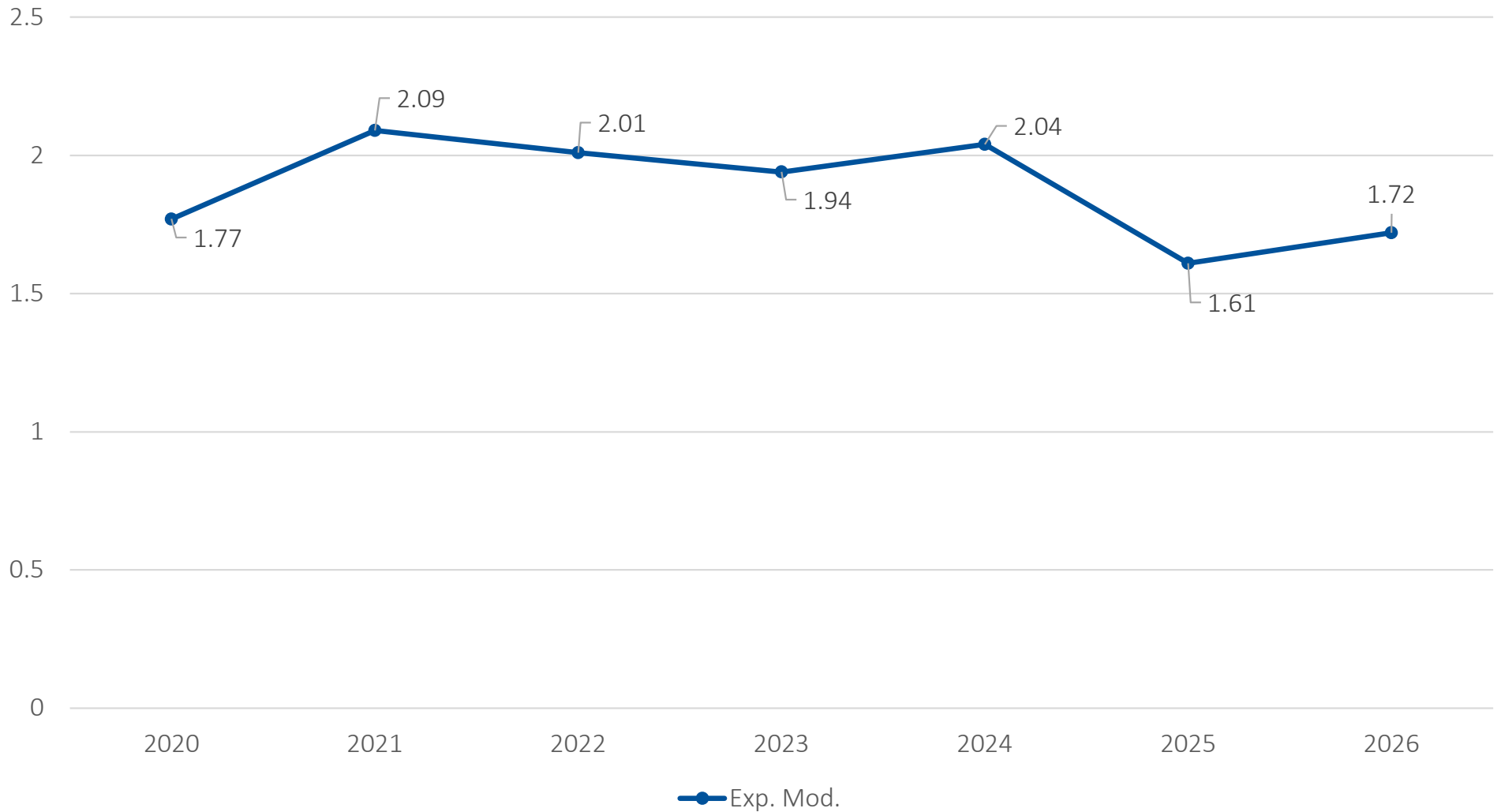
- The E-Mod is a measure of how your workers' compensation loss experience compares to your peers.
- The industry/peer average is 1.0. A lower mod indicates better loss experience while a higher indicates worse experience
- Experience rating impacts your workers' compensation premiums directly.

Analyze experience rating factor to confirm accuracy

Analyze key factors that drive the calculation confirming accurate rating and costs.

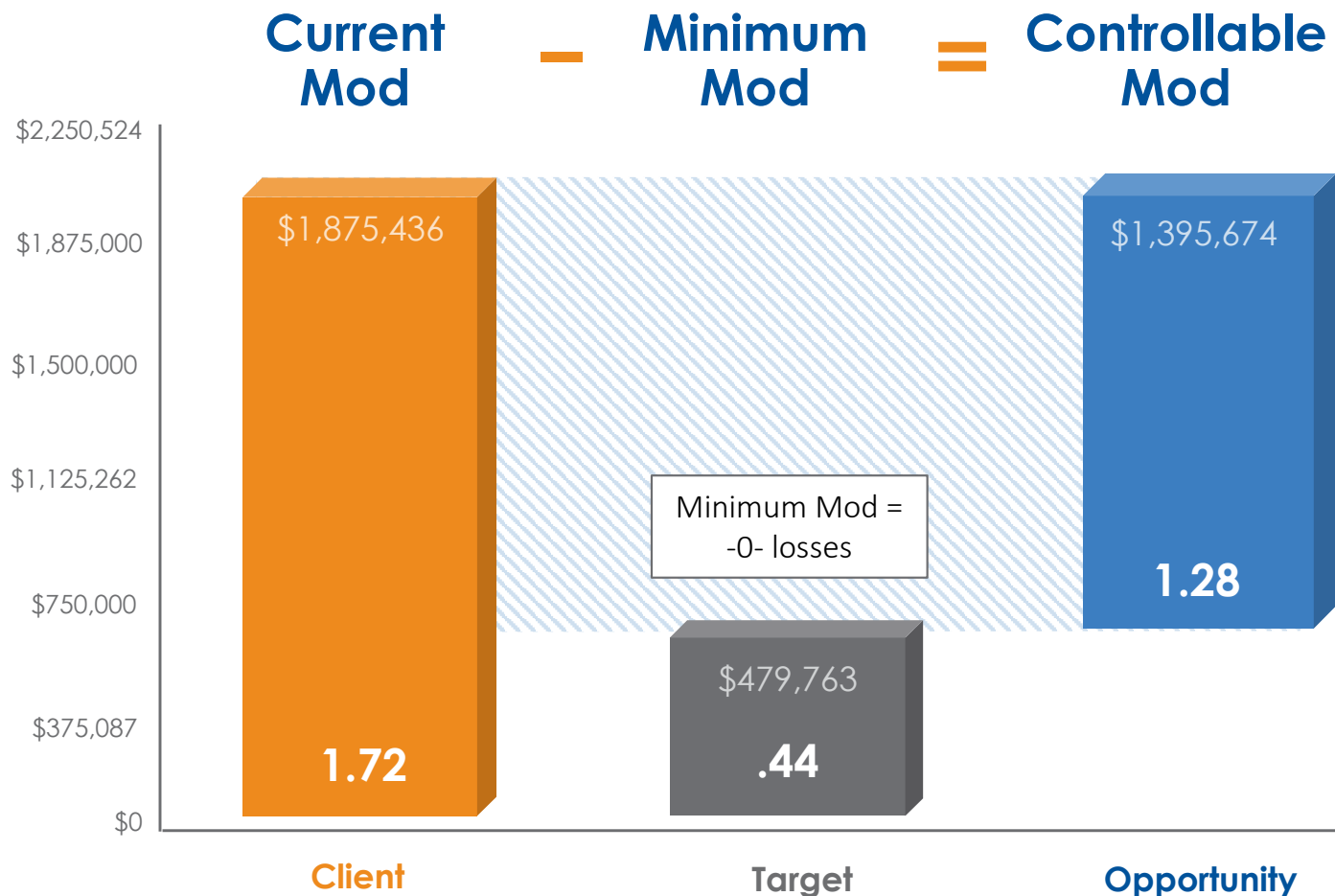


Historical Experience Modification Factors



Future Savings Opportunity

USI utilizes proprietary analytics to quantify opportunity for measurable E-Mod improvement and future premium savings.

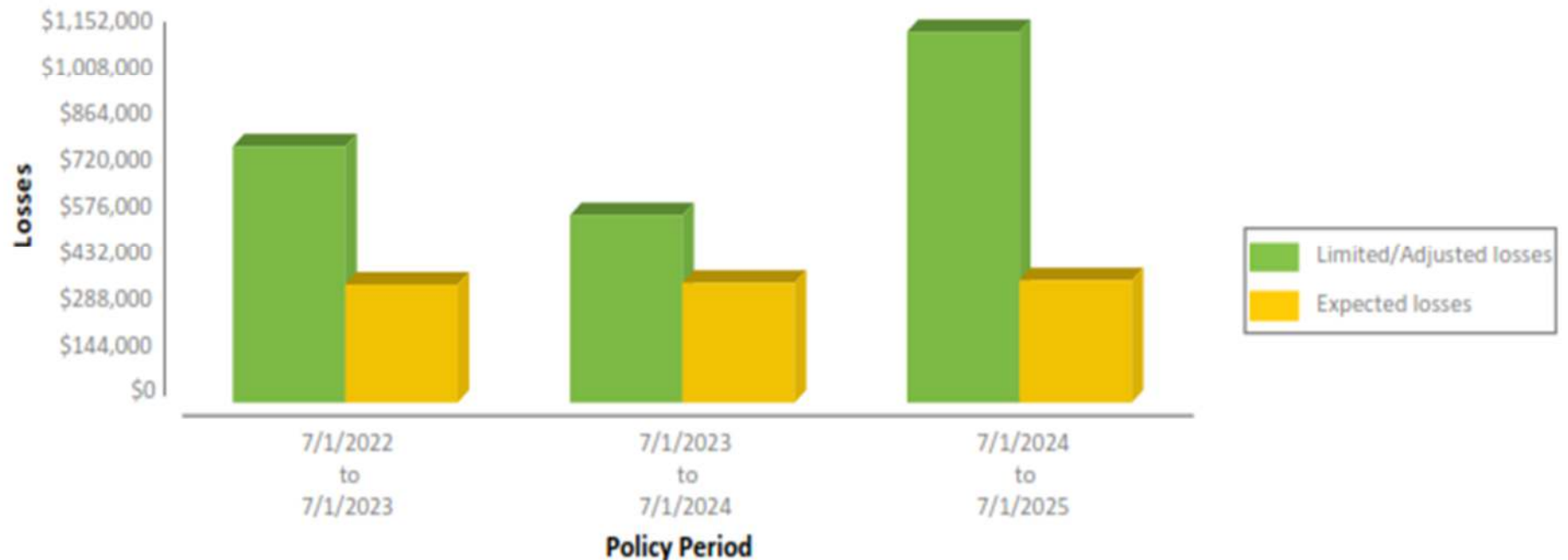


- Our unique, comprehensive analysis pivots from retrospective to prospective, quantifying potential for continued E-Mod improvement.
- Client's lowest possible E-Mod (Minimum) is established to determine future opportunity for premium savings.
- Allows for a detailed claim analysis to determine what claims/trends are driving the current E-Mod and preventing continued savings.

Note: Potential savings can also be impacted by other rating factors.

Analyze losses and impact on E-Mod

Actual vs. Expected Losses by Policy Period



- USI analyzes the last three years of losses versus industry average, identifying cost drivers and loss trends and their impact on E-Mod and premium.
- Understanding which losses have greatest impact allows for targeted measurable risk management strategies with greatest potential for achieving continued program savings.



USI's Action Plan for TMFPD

- Active claim monitoring
- Monthly claim reviews
- Quarterly experience analysis
- Risk control consulting services

Key Contacts:

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