



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: June 3, 2025

DATE: May 20, 2025

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Cindy Vance, Chief Fiscal Officer
Phone: (775) 326-6070 Email: cvance@tmfpd.us

THROUGH: Dale Way, Interim Fire Chief
Phone: (775) 326-6000 Email: dway@tmfpd.us

SUBJECT: Recommendation to approve the 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 authorize the purchase of insurance based upon the attached Insurance Renewal Summary. The Proposal includes Property, Casualty, Professional, and Excess Liability Insurance to be provided by VFIS and will include Crime/Employee Theft Insurance through Travelers Bond & Specialty, Cyber Liability through AIG Specialty, and Workers' Compensation through 7710 Insurance Company. (All Commission Districts) **FOR POSSIBLE ACTION**

SUMMARY

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

PREVIOUS ACTION

June 4, 2024, the Board of Fire Commissioners approved the 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.

BACKGROUND

The insurance market has shown signs of stabilization in several areas, with continued challenges in property, liability, professional risk and other lines. According to Swiss Re, insured natural catastrophe losses were around \$135 billion in 2024, up from \$95 and the fifth consecutive year with losses over \$100 billion. Overall, commercial insurance rates increased 3.75% on average in 2024, down from 4.56% in 2023. Within this trend, rates for auto and excess liability continue to see upward pressure while other lines have stabilized.

The District and the District's broker, USI Insurance Services, monitor the insurance marketplace, which includes limited options for emergency service organizations. Based on current market conditions, USI negotiated with the current carriers toward the best pricing and terms possible. The current proposal includes Property and Liability Insurance and Workers' Compensation Insurance for one year beginning July 1, 2025, for a total estimated annual premium of \$1,819,118 with coverages and limits outlined in the attachment. This total premium is a decrease from the prior year of approximately \$30,000. Property and Liability Insurance will be provided by VFIS and will include Crime and Employee Theft through Travelers Bond & Specialty Insurance, AIG Specialty, and Workers' Compensation will be provided by 7710 Insurance Company.

The annual premium increase of \$75,909 is driven by a combination of exposure increases (i.e., portable equipment, vehicles, increased call volume, and employee count) along with rate increases due to insurance market conditions.

The District does include workers' compensation insurance as a reimbursable expense under the NV Energy and Nevada Department of Forestry (NDF) programs. Vehicle and equipment usage is also charged to the NV Energy and NDF programs. The usage fees are developed to cover costs for depreciation, fuel, and insurance. Currently, the charges for equipment usage are offset against the purchase price of the vehicle/equipment reimbursed by NV Energy. Once the usage costs exceed the cost of the vehicles and equipment, the District will collect charges for service fees when using vehicles and equipment to support the NV Energy and NDF programs.

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.

Travelers Bond & Specialty is a division of Travelers Bond & Specialty, which 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.

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.

FISCAL IMPACT

The cost for the recommended insurance renewal policies is \$1,819,118. This is within the District’s Fiscal Year 2025-2026 budget for general and workers' compensation insurance.

RECOMMENDATION

Staff recommends approval of a Property and Liability Insurance and Workers’ Compensation Insurance Proposal for TMFPD for one year beginning July 1, 2025, for a total estimated annual premium of \$1,819,118, and authorize the purchase of insurance based upon the attached Insurance Renewal Summary.

POSSIBLE MOTION

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

“I move to approve the 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 authorize the purchase of insurance based upon the attached Insurance Renewal Summary.”