ADDENDUM 1
New Hanover County Airport Authority RFP Questions and Answers

Correction to ESTIMATED PAYROLL:  $2,800,000

LOSS RUNS- We will be posting the loss runs as soon as we receive them. We have received only a few from the carrier.

1. Name of Carriers on the risk by line of business:
   - Airport Operators Liability & Excess Liability- Chubb
   - Automobile- Travelers Insurance Company
   - Crime- Travelers Insurance Company
   - Employment Practices- XL Catlin
   - Law Enforcement Legal- XL Catlin
   - Property- QBE Specialty Insurance Company
     - Lloyds of London
     - Steadfast Insurance Company
     - General Security
     - HDI Global Specialty SE
     - Lexington Insurance Company
     - United Specialty Insurance Company
     - Safety Specialty Insurance Company
     - Old Republic Union Insurance Company
     - Indian Harbor Insurance Company
   - Public Officials Liability- XL Catlin
   - Equipment- Fire Trucks- Travelers Insurance Company
   - Storage Tank Pollution- Crum & Forster Specialty Insurance Company
   - Ocean Marine (Hull & Protection & Indemnity)- Great American Insurance Group
   - Volunteer Accident- CIMA
   - Workers Compensation- Berkshire Hathaway Guard Insurance Companies
   - Cyber Liability- BCS Insurance Company

2. Name of the current insurance broker:
   - Arthur J. Gallagher

3. Current Compensation Structure:
   - Fee Based

4. Compensation Fee:
   - $31,698 Annually
5. How is the RFP evaluated and broken down?
   - The Risk Management Advisory Committee will review all Bids and make their recommendation based on the following:
     - Completeness and quality of proposal
     - Specialized Airport Experience
     - Ability of the broker and its staff and its accessibility, experience and flexibility
     - Proposers’ stated method of providing necessary services and understanding of range of services being requested.
     - Total Cost
     - Client references, financial viability and demonstrated success

6. Where are the most points awarded:
   - The concentration will be on Airport experience and total cost for services

7. Is there a need for a Control Tower policy?
   - The control tower is owned and operated by the FAA. We see no reason for a Control Tower Liability policy.

8. I did not see and wondered if the Authority needs Bond(s)?
   - Yes, the Authority has a Bond and shall be taken over by BOR.

9. What are the current issues or what does the Authority see is missing in their relationship with their current agent?
   - There are no issues with the current agent.

10. If we were to be selected the Broker/Agent, would we obtain access to the current policies and negotiate with your current carriers via an Agent of Record?
    - Yes, absolutely on both.

11. How many years is the contract with the Broker/Agent valid?
    - 1 year, at this time.

12. a. I am looking to understand the need for financials, is this only for Publicly traded insurance agencies who are bidding, or does this apply to Privately owned insurance agencies too?
    - The Authority wants to make sure the agency they are doing business with is financially secure.

    b. If the financials are not provided, do you cast out the bid?
    - No, but if your agency is chosen to do business with the Authority we will require you provide financials before going into a contract. All financials are to be marked confidential and treated as so.
13. Confirm there are no Firetrucks owned and operated by the NHCAA and the Authority with jurisdiction for response.
   - The Airport Authority does own Fire Trucks and they respond only to on Airport property.

14. Confirm there are no police vehicles on the schedule, or which units are on the schedule.
   - There are no police units on the Authorities schedule. However, the Authority does contract with NHC Sheriff’s office for safety response. We request the Authority’s insurance policy pick up liability for Sheriff’s office auto while on the tarmac.

15. Do any vehicles leave airport premises and for what purposes?
   - A vehicle is used almost daily to pick up supplies. They are also used several times a year for employees to attend off-site training. The only other time a vehicle will leave the premises is if it requires outside maintenance.

16. Are any vehicles driven to an employee residence and parked overnight at the residence. If yes, explain further.
   - No.

17. How many volunteers and estimated number of annual volunteer hours.
   - 44 volunteers, maximum hours for the year is 5,840 (16 hours a day)

18. Payroll breakdown by class code.
   - PLEASE NOTE CORRECTION TO PAYROLL
     - 7403- $1,690,000
     - 8742- $70,000
     - 8810- $1,080,000

19. Please provide clarification on RFP item #7 and the Firm Information section #9 with respect to redacting the broker name. Specifically, is the broker name to be redacted from any verbiage developed throughout the response with exception of the noted areas in item #9? Do you also seek to have us omit the broker name from the headers and footers, etc.?
   - Yes. The reason for the redaction is so the Risk Management Advisory Committee can review all proposals and make a recommendation fairly based on the criteria.

20. Is there a specific limit the airlines contractually require versus the $75M presently in place?
   - No.
21. Describe your specific philosophy surrounding the current limit structure of $75M.

- Discussions with the Agent helped us arrive at the $75M figure.