



**AGENDA REPORT**

**PROPOSED ACTION: Resolution:** Approve and Authorize the Port of Oakland’s Risk Manager to Execute a Two-Year Airport Liability Insurance Policy and Rate Cap Agreement for Auto Liability Insurance and Excess Workers Compensation Insurance, and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Finance & Admin)**

**Submitted By:** Julie Lam, Chief Financial Officer; Kristi McKenney, Executive Director

<b>Parties Involved:</b>	<b>Amount:</b> \$142,700 (Operating Expense)
National Union Fire Insurance Company of Pittsburgh, PA (AIG);	
Greenwich Insurance Co./XL Specialty Insurance Company (AXA XL)	

**EXECUTIVE SUMMARY:** Port of Oakland (Port) Staff received authorization at the April 23, 2026 meeting of the Board of Port Commissioners to execute a one-year renewal of various property and liability insurance policies that expire between May 20, 2026 and July 1, 2026. While executing the policies the Port was presented with the opportunity to lock in the pricing for a second annual term with two insurers providing cost saving in the current year and cost certainty for the subsequent year. National Union Fire Insurance Company of Pittsburgh, PA (AIG) offered a reduced premium for agreement to a two-year term for the airport liability policy. Greenwich Insurance Co./XL Specialty Insurance Company (AXA XL) offered a rate cap agreement for the 2027-2028 auto liability, and excess workers compensation insurance. Port Staff is requesting authority be granted to the Port Risk Manager to execute these agreements as the authorization provided on April 23, 2026 was only for an annual term and did not contemplate locking in premiums for a two-year term with AIG nor a rate cap for the 2027-2028 policy year for the AXA-XL policies.

**BACKGROUND & ANALYSIS**

AIG offered the Port a lower premium for the airport liability policy if the Port agrees to a two-year policy term, locking in a reduced annual premium of \$142,700 for both the 2026-2027 and 2027-2028 policy years. This is lower than the premium of \$156,964 already approved at the April 23, 2026 board meeting, however, at that time the 2027-2028 coverage and premium was not offered. The policy has been issued for a two-year term, billable annually, however the Port’s obligation to take advantage of that second year is subject to Board approval which Port Staff is now seeking. The lower premium for this year is only available if the Port elects the two-year option.

Additionally, Greenwich Insurance Co./XL Specialty Insurance Company (AXA XL) offered a rate agreement for the auto liability and excess workers compensation insurance. These policies are offering to cap the rates for the 2027-2028 renewal if the Port agrees to its rates now. Table 1 compares the proposed caps with this year’s rates.

**Table 1  
Proposed Rate Caps**

Insurance Type	2026 Rate	2027 Rate Cap
Excess Workers Compensation	\$0.4602 per \$100 of payroll	\$0.4602 – \$0.4694 per \$100 of payroll
Automobile Liability	\$577.4104 per auto	\$577.4104 - 623.6032 per auto

As the quantities (payroll and auto count) used for calculating AXA XL premium for this future period are unknown, authority for a not to exceed amount is not being requested today. Approval for the calculated premium will be requested in April 2027 when the policy renews.

Both agreements have conditions to maintain these arrangements such as favorable loss performance, reinsurance requirements, and limits on the change in key exposure elements such as revenue, enplanements, payroll, and auto count.

Executing these agreements is advantageous to the Port as these coverages are likely to become more expensive.

**OTHER FINDINGS AND PROVISIONS**

**ENVIRONMENTAL REVIEW**

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

"Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

Other/Notes:

**BUDGET**

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

Operating

Non-Operating

Capital

Analysis: There is no impact to the current FY 2026 budget, however, the Port will realize premium savings of approximately \$14,264 in FY 2027 compared to the originally approved single year policy.

**STAFFING**

No Anticipated Staffing Impact.

Anticipated Change to Budgeted Headcount.

Reason:

Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):**

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

**LIVING WAGE** (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

Additional Notes:

<p><b><u>SUSTAINABLE OPPORTUNITIES:</u></b></p> <p><u>Applies?</u> <b>Yes.</b></p> <p><u>Reason:</u> The proposed action will offer coverage for liability, damages, and other needs essential to sustaining Port operations.</p>	<p><b><u>GENERAL PLAN</u></b> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><b><u>STRATEGIC PLAN.</u></b> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Capture Our Market and Grow the Economic Base</li> <li><input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure</li> <li><input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience</li> <li><input checked="" type="checkbox"/> Maximize Land Use Value and Revenues</li> <li><input type="checkbox"/> Workforce Training and Jobs Development</li> <li><input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development</li> </ul>	