

# Airports Council International

## Property Market Overview

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# Airport & Airline Expertise

## Sampling of our Client Partners:

- American Airlines
- British Airways
- Canadian Airport Authorities
- City of Chicago
- City and County of Denver
- City of Philadelphia
- Dublin Airport Authority
- Greater Orlando Aviation Authority
- JFK International Airport
- Massachusetts Bay Airport Authority
- Schiphol Amsterdam Airport
- United Airlines



# Important Coverage Considerations

- Policy Limit
- Terrorism
- Cyber
- FAA Facilities
- Fine Arts
- Course of Construction

# Policy Limit

- Think BIG Tornado
- Think 3 - 4 Years Rebuild
- Think Terrorism



# Cyber Risk

## What is Covered:

- Physical loss or damage
  - Corruption or destruction of data
  - Resultant property damage and time element loss, other than damage to data
- Time Element loss resulting from Denial of Service Attacks

## What is Not Covered:

- Third-party liability
- Compromised data/personal information
- Consumer notification costs
- Copying and publishing of proprietary data
- Media liability
- Cyber extortion

This Policy insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured:

- 1) to property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the TIME ELEMENT COVERAGES below;
- 2) **used by the Insured**, or for which the Insured has contracted use.

# Fine Art

**fine arts:**

**paintings; etchings; pictures;**  
tapestries; rare or art glass; art  
glass windows; valuable rugs;  
**statuary; sculptures;** antique  
furniture; antique jewelry; bric-a-  
brac; porcelains; and similar  
property of rarity, historical value,  
or artistic merit excluding  
automobiles, coins, stamps, furs,  
jewelry, precious stones, precious  
metals, watercraft, aircraft, money,  
securities.



# Course of Construction

## DELAY IN STARTUP

GROSS EARNINGS or GROSS PROFIT and EXTRA EXPENSE are extended to cover the Actual Loss Sustained incurred by the Insured during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations directly resulting from physical loss or damage of the type insured to insured property under construction at an **insured location** or property....



1. Commitment to Loss Prevention

2. Suitable Construction

3. Automatic Sprinkler Where Needed

4. Special Hazards Protected

5. Adequate Water Supply

6. Ongoing Fire Prevention Programs

7. Good Housekeeping

8. Maintenance of Building/Equipment

9. Emergency Response Team

10. Protection against exposures

# Ten Qualities Of A Well- Protected Facility



## Concentration of Combustibles

- Automatic Sprinklers
- Control of Ignition Sources



## Concessionaires

- Proactively Audit Maintenance Practices



## Equipment

- Evaluating Equipment
- Infrared Scans

# Evaluating Equipment

Environment

Operating Conditions

Age/History

Maintenance

Operators

Contingency Planning

Safety Devices

Likelihood of Loss

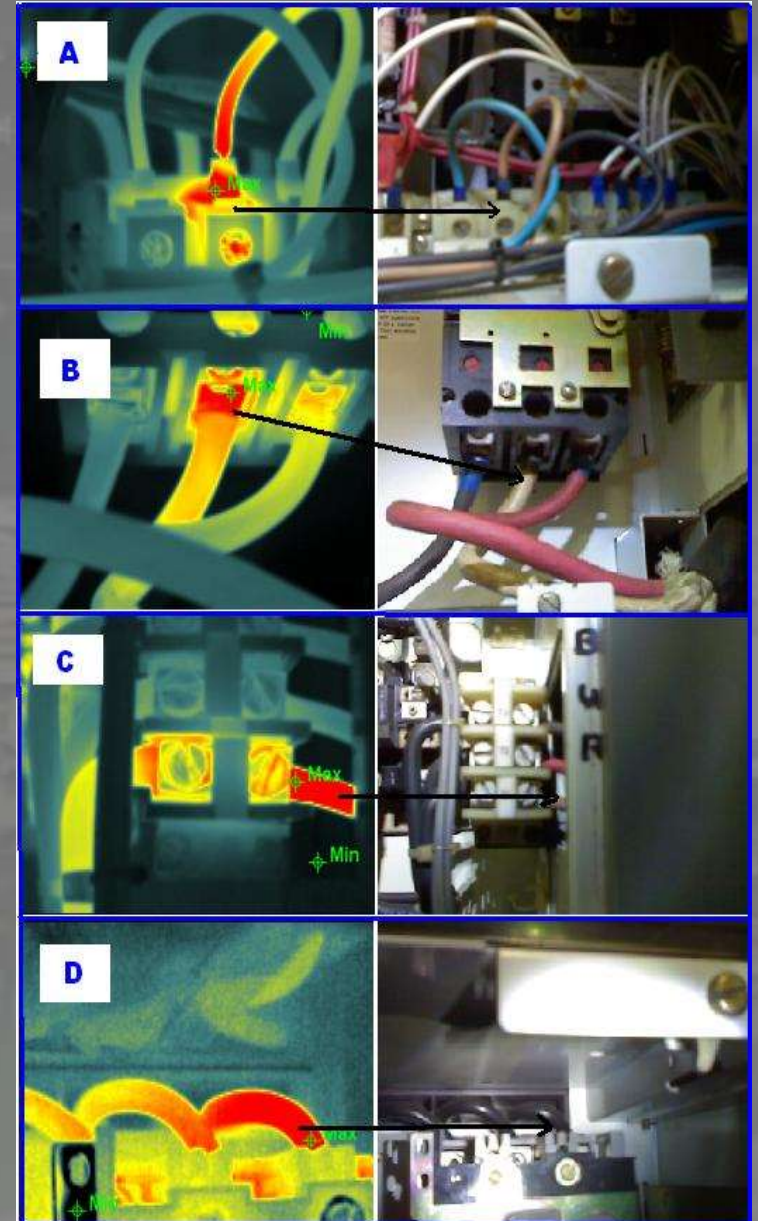
Severity of Loss

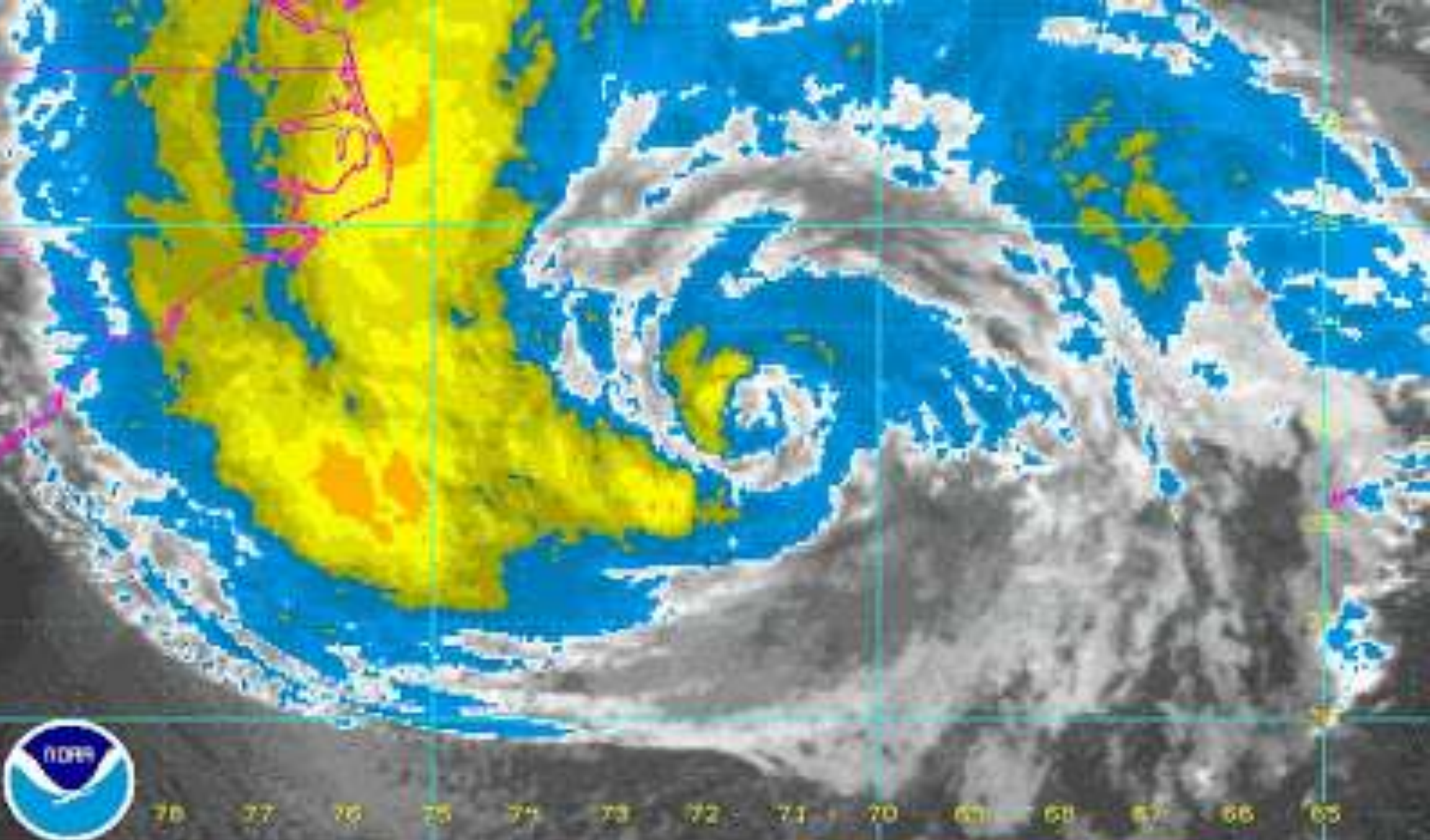
# Infrared Scanning

Airports Utilize Lots of  
Electrical Equipment

Shows Problems Nothing  
Else Can

Relatively Inexpensive





76 77 78 79 80 81 82 83 84 85 86 87 88 89 90

# Understanding the Natural Risk



## Windstorm

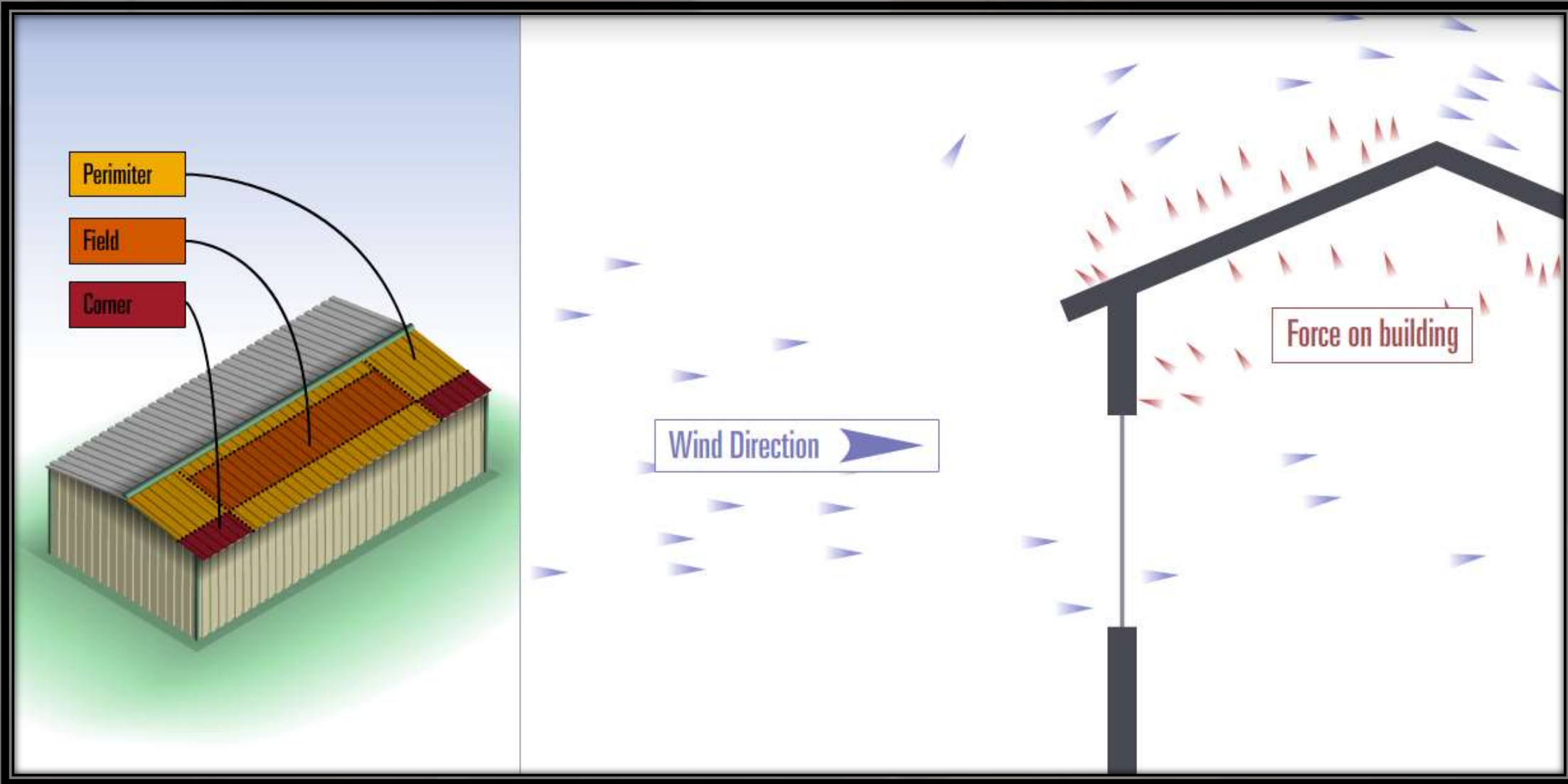
- Wind Exposures
- Facility Improvements



## Earthquake

- Earthquake Exposures
- Prevent Losses After an Earthquake

# Wind Uplift

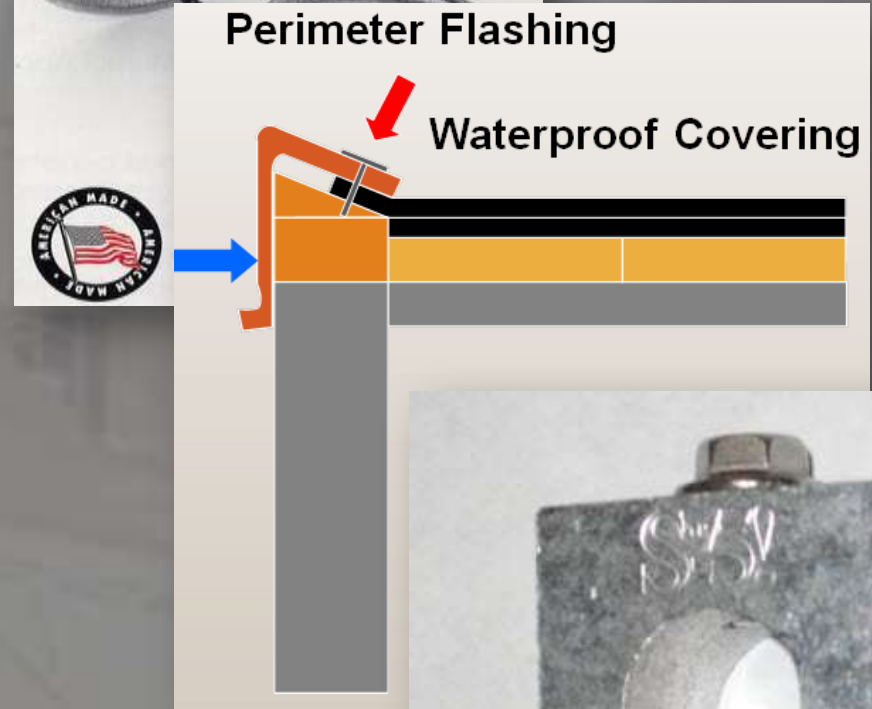


# Wind Resistance Improvements

Install Additional Fasteners in Needed Areas

Securing Edge Flashing

Installing Clips on Metal Roof Seams





# Wind Loss Experience



# Wind Loss Experience



Comparison of "Improved" and "Unimproved" Locations



Earthquake

# Earthquake-Prone Regions



# Average Earthquake Loss

Earthquake shaking does not usually result in total loss (for example, collapse of a building)

The majority of facilities can be quickly returned to service, if...

# Prevent a Fire Following an Earthquake

Prevent flammable gas or liquid releases, particularly where consequences of a fire are great

Provide earthquake-actuated shutoff valves

Restrain equipment, brace piping

Provide flexibility in piping connections



# Business Continuity

- Understanding the Mission Critical Functions
- Challenge Your Assumptions



A large commercial airplane is shown from a rear perspective, flying over a city at night. The city lights are visible in the background, and the airplane's landing gear is extended. The word "Questions?" is overlaid in the center of the image.

Questions?