



**AIRPORTS COUNCIL
INTERNATIONAL**

ACI-NA DBE/Small/Minority Business Survey Summary

September 2008

**ACI-NA Insurance and Risk Management Committee
ACI-NA Economic Affairs Department**

Background

- The Insurance and Risk Management Committee developed a survey with focus on three areas for DBE/Minority/Small Business:
 - Insurance as a barrier to contracting with an airport for work;
 - Bonding issues as a barrier when contracting with an airport;
 - What airports are doing to engage and hire these firms for risk management and insurance services;

Survey Goal

The survey goal was to learn if these three areas are issues for DBE/Minority/Small Business, and if so, where do we start to go about addressing the issues.

Survey Formation

- The survey was launched on April 3, 2008
- Sent to all of the member airports participating in the Insurance and Risk Management Committee.
 - 28 members responded to the survey
 - 12 from large hub airports,
 - 9 from medium hub airports,
 - 4 small hub airports,
 - 3 non hub primary airports,

Survey Formation

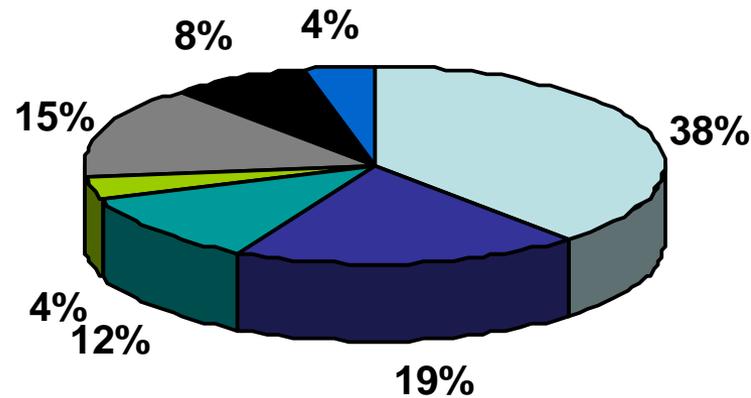
The survey included questions regarding:

- Insurance policy limits required of contracting firms;
 - General liability
 - Automobile liability
 - Workers' compensation (WC) liability
- Bonding constraints
- Hiring practices for airport internal risk management and insurance services

Sample Size

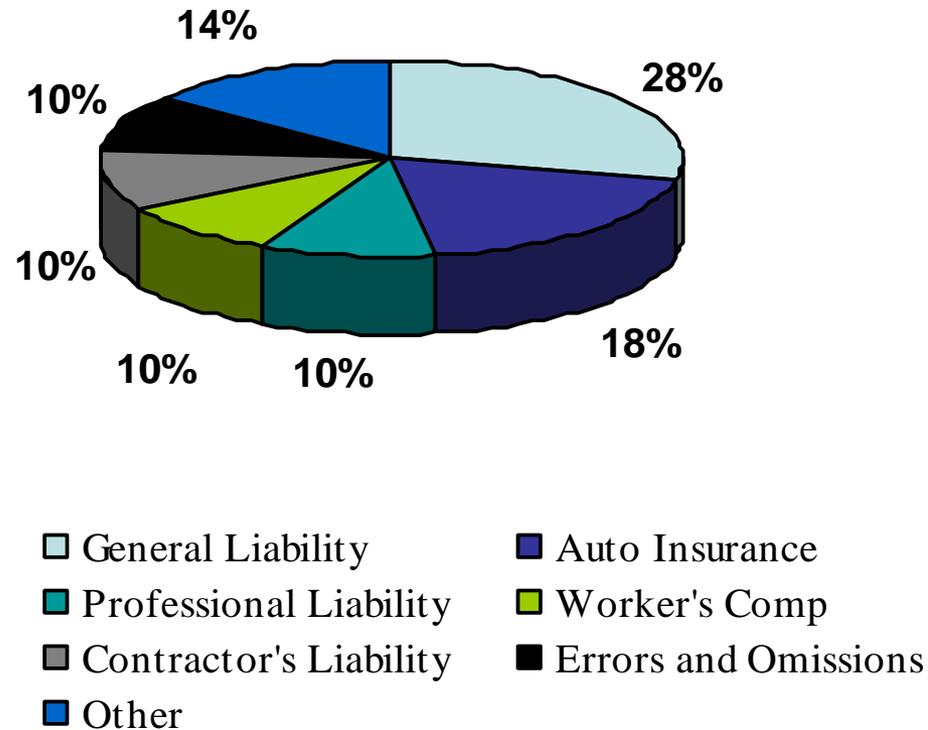
Hub Size	Number of Responses	Industry Total	Percent of Industry Total
Large	12	30	40.0%
Medium	9	37	24.3%
Small	4	71	5.6%
Non	3	241	1.2%
Total	28	379	7.2%

Insurance Coverage Most Difficult to Comply With

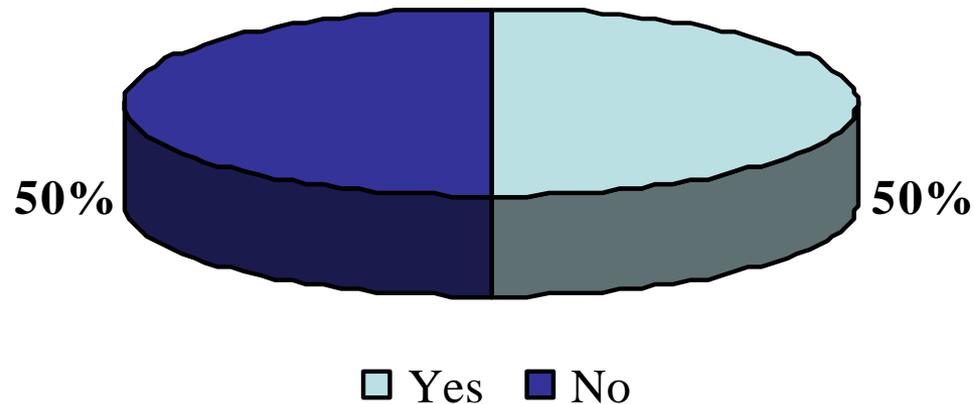


- Commercial General Liability
- Bonding
- Unknown
- Other
- Auto Insurance
- Professional Liability
- Excess Liability

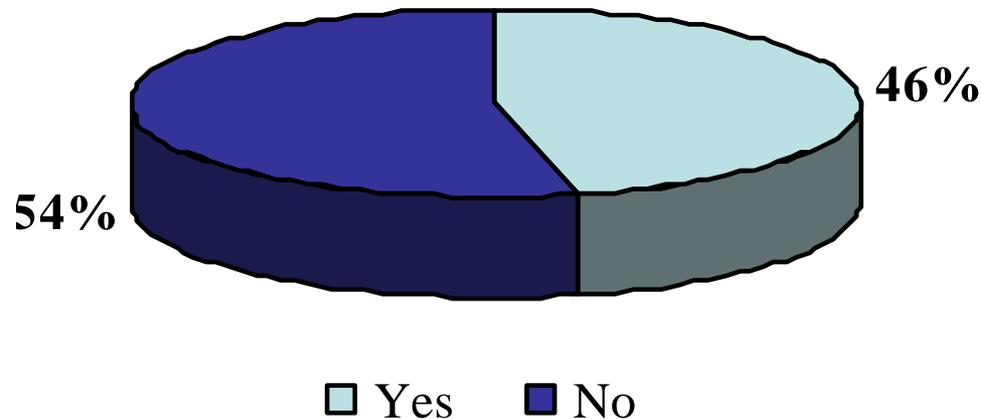
Second Most Difficult Insurance Coverage to Comply With



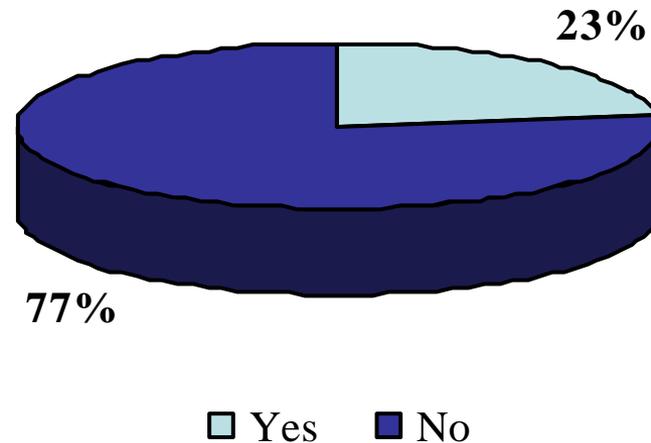
Are Limits of Required Insurance Frequently Identified as a Barrier to Bidding or Getting Work?



Are Bonding Requirements a Hurdle for Small Businesses To Getting or Bidding on Work?

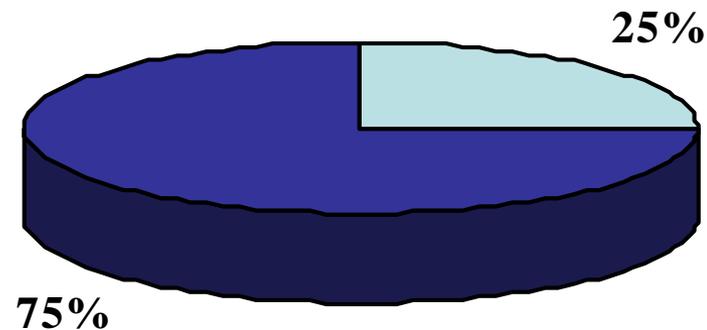


Has Your Airport Addressed Any Identified Bonding Requirements from Small Business?



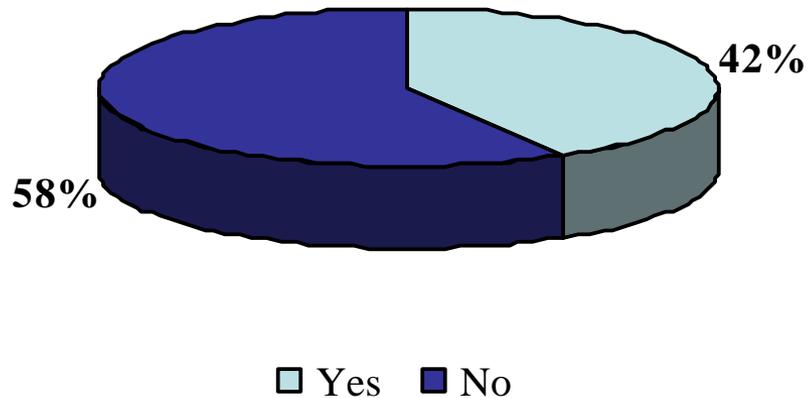
Is Your Risk Management Department Working To Engage Small Business?

For the Airports Risk and Insurance Program



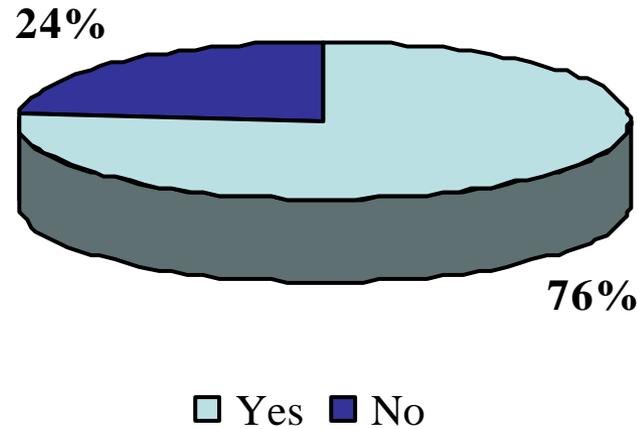
Yes No

Has Your Risk Management Department Discussed Opportunities for Small Businesses?

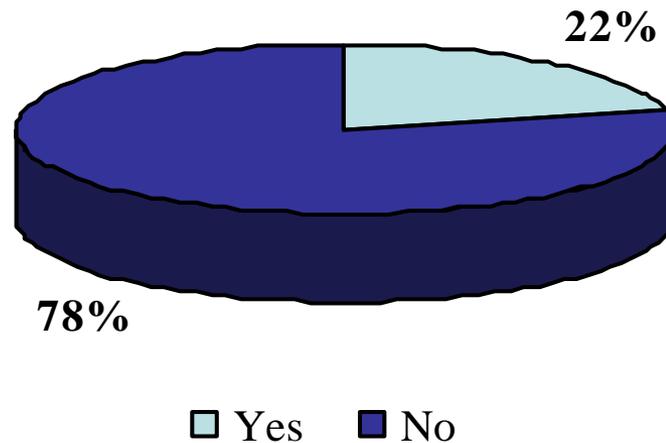


Number of interviews held in the last three years
15
10
9
8
3
3
3
2
workshop environment w/ several attendees

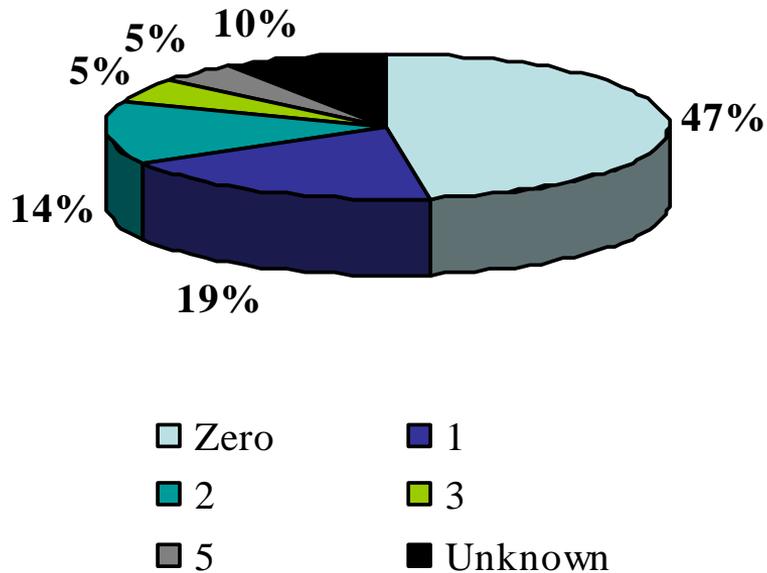
Does Your Airport Have General Contracting Goals to Account for Small Business Participation?



Has Your Main Insurance Provider or Broker Sought a Partnership with a Qualified Small Business?



Number of Current Active and Direct Contracts Your Organization has with Qualified Small Businesses



The Estimated Total Value of Such Contracts

Number of contracts	Estimate the total value of such contracts
2	\$6,000
1	\$20,000
1	\$80,000
2	\$100,000 to 150,000
3	\$190,000
2	\$450,000
5	\$500,000
1	\$900,000
1	\$2,500,000

Conclusions

- Survey had only 24% response from medium hubs – there is more to learn
- Survey does not lead to conclusion as to whether insurance or bonding prevented firms from getting actual work
- Insurance and bonding could in general be a barrier for all firms;

Conclusions

- Limits seem to be more an issue than the type of coverage specified;
- Most airports have not explored creative programs for bonding; See San Diego
- Most airports have not tried to engage firms to work on its own internal risk and insurance programs

Where Do We Go?

- Risk Management departments should establish contact with its airport small business representative;
- Contracting officers should work with Risk Management to determine if bonding and insurance is a barrier in general for small firms;

Where Do We Go?

- Risk Management should participate in outreach or job fairs to answer questions in general about insurance/indemnity provisions in contracts;
- Process of assigning insurance requirements for contracts should be looked at every two years.

Where Do We Go?

- Airports should consider carving out pieces of its insurance program and associated services to allow smaller brokerage and service providers a chance to bid on this work.
- Look at creative programs that others are doing such as in San Diego.

Steering Group Members

- Jeff Hollingsworth, Risk Manager, SEA
- Errol Fitzpatrick, Risk Manager, SAN
- Bill Hoyt, Risk Manager, MSP
- Scott Gibbons, Risk Manager, CVG
- Mike Natale, Risk Manager, MWAA
- Stephen Dinsdale, Vice President, ACE
- Liying Gu, Senior Director, Economic Affairs and Research, ACI-NA
- Miranda Horan, Research Analyst, Economic Affairs and Research, ACI-NA

Questions?

Risk and Insurance Committee
DBE/Minority/Small Business Survey

