



**ALEJANDRINA BASQUEZ**  
DIRECTOR

June 21, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to purchase "all risk" property insurance for City buildings, contents, and vehicles through the Alliant Insurance Services' Public Entity Property Insurance Program, for a total premium not to exceed \$816,791 for the period of July 1, 2016 through July 1, 2017. (Citywide)

**DISCUSSION**

The Department of Human Resources requests City Council authorization to renew and extend "all risk" property insurance coverage for City buildings and contents with various insurers (Attachment A).

Through its property insurance broker, Alliant Insurance Services, the City annually purchases "all risk" property insurance to cover perils such as fire, vandalism and wind damage on all City buildings, contents, and vehicles. The proposed "all risk" property insurance policy provides replacement cost coverage with limits of up to \$1 billion, subject to a \$50,000 per occurrence deductible for named perils, and a limit of \$10 million in coverage for flood; it does not include coverage for the peril of earthquake, which is addressed in a separate transmittal. The policy also provides cyber liability coverage, boiler and machinery coverage and some limited pollution coverage for the City. This is consistent with coverage provided in the current year policy. The premium offered is approximately 1 percent lower than the cost of the expiring policy. The property insurance for the Queen Mary makes up approximately 35 percent of the total premium. The premium portion for the Queen Mary is billed directly to the current lessee.

This matter was reviewed by Deputy City Attorney Amy R. Webber on May 25, 2016 and by Assistant Finance Director Lea Eriksen on June 3, 2016.

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TIMING CONSIDERATIONS

City Council action is requested on June 21, 2016, to allow the City to officially bind insurance coverage by the renewal date of July 1, 2016.

FISCAL IMPACT

The total premium will not exceed \$816,791, for the period of July 1, 2016 through July 1, 2017. Funding has been budgeted in the Insurance Fund (IS 390) in the Human Resources Department (HR). Premium costs associated with the Queen Mary will be reimbursed in full. The cost of the property insurance is allocated to all funds based upon total insured value of property, with approximately 16 percent of the premium allocated to the General Fund. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ALEJANDRINA BASQUEZ  
DIRECTOR OF HUMAN RESOURCES

AB:RS:mm  
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ATTACHMENT A

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER



**Alliant Property Insurance Program  
2016-2017 Policy Year  
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
ACE – Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 7/2/15)	AA (As of 5/19/14)	Non-Admitted
ACE European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 7/2/15)	AA (As of 5/19/14)	Non-Admitted
Allied World Assurance Company	012525	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 2/11/16)	A (As of 6/7/11)	Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 8/21/15)	A+ (As of 7/29/10)	Non-Admitted
Aspen Specialty Insurance	012630	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/18/15)	Not Rated (As of 5/3/16)	Non-Admitted
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 6/12/15)	Not Rated (As of 5/3/16)	Non-Admitted



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Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Berkshire Hathaway Specialty	000864	A++, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 9/1/15)	AA+ (As of 12/10/14)	Admitted
Endurance America Specialty	013033	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/28/15)	A (As of 12/5/06)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/28/15)	A (As of 12/5/06)	Non-Admitted
Essex Insurance Company	002732	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/15/15)	A (As of 10/14/13)	Non-Admitted
Hallmark Specialty Insurance Company	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000; (As of 3/18/15)	Not Rated (As of 5/3/16)	Non-Admitted
Hartford Steam Boiler Inspec & Ins	000465	A++, Superior; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 2/5/16)	A+ (As of 4/17/15)	Admitted



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Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 10/30/15)	A- (As of 7/2/10)	Non-Admitted
Houston Casualty Company	003286	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 10/22/15)	AA- (As of 10/28/15)	Non-Admitted
Interstate Fire & Casualty Company	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 8/6/15)	AA (As of 3/17/16)	Non-Admitted
Ironshore Indemnity Inc. (AZ only)	013847	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/23/15)	Not Rated (As of 5/3/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/23/15)	Not Rated (As of 5/3/16)	Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 7/9/15)	A- (As of 5/18/10)	Non-Admitted



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Lexington Ins. Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/27/16)	A+ (As of 5/6/13)	Non-Admitted
Liberty Surplus Insurance Corporation	012078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/8/15)	A (As of 7/17/14)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 7/22/15)	A+ (As of 4/23/07)	Non-Admitted
Maxum Indemnity Company	012563	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000; (As of 3/18/16)	Not Rated (As of 5/3/16)	Non-Admitted
Partner Re Ireland Insurance Ltd.	078853	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 8/4/15)	A+ (As of 2/17/12)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	A+ (As of 7/22/09)	Non-Admitted



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		(As of 3/10/16)		
RSUI Indemnity Company	012603	A+, Superior Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 4/24/15)	A (As of 4/13/15)	Admitted
Scottsdale Surplus Lines Insurance Company	012121	A+, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 3/19/15)	A+ (As of 6/17/13)	Non-Admitted
Steadfast Insurance Company	003557	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/2/15)	AA- (As of 6/19/07)	Non-Admitted
Tokio Marine Specialty	000763	A++, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 6/4/15)	A+ (As of 9/18/15)	Non-Admitted
United States Fire Insurance Company	002136	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 6/4/15)	A- (As of 11/20/09)	Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater	AA- (As of 10/28/11)	Admitted



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		(As of 12/11/15)		
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/1/15)	A+ (As of 10/30/13)	Admitted