



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

C-13

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

Alejandrina Basquez
DIRECTOR

June 19, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to purchase Earthquake (Difference in Conditions) Insurance with the Insurance Company of the West, covering the Convention Center and City Hall buildings through Alliant Insurance Services, Inc., for a premium not to exceed \$139,500, for the period of July 1, 2018 through July 1, 2019. (Citywide)

DISCUSSION

The City purchases earthquake coverage on a limited basis for the Convention Center and City Hall. The proposed earthquake insurance policy will provide \$10 million in aggregate coverage, in excess of a \$5 million self-insured retention, covering both the Convention Center and City Hall buildings. The insurance will cover the buildings, personal property within the buildings, and actual loss of income because of a building closure. The cost to insure the Convention Center and City Hall is \$139,500, which is a 3 percent increase from the expiring policy.

In mid-2019, the new City Hall is expected to be completed and occupants will move out of the current City Hall structure and move into the new City Hall building. The owner of the new City Hall will be responsible to provide property insurance on the new City Hall, until the long-term lease expires and the City assumes ownership.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on May 31, 2018 and by Budget Management Officer Rhutu Amin Gharib on May 30, 2018.

TIMING CONSIDERATIONS

City Council action is requested on June 19, 2018, to allow the City to bind insurance coverage by the renewal date of July 1, 2019.

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CITY OF LONG BEACH
CITY CLERK
CLERK'S OFFICE

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FISCAL IMPACT

The total premium cost will not exceed \$139,500 for the period of July 1, 2018 through July 1, 2019. Sufficient appropriation has been budgeted in the Insurance Fund (IS 390) in the Human Resources Department (HR). The cost of the earthquake insurance is recouped from all City departmental funds. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

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APPROVED:



PATRICK H. WEST
CITY MANAGER