



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

C-17

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

June 19, 2007

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to purchase excess municipal liability insurance for the period of July 1, 2007 through July 1, 2008, through Alliant Insurance Services, for a total premium of \$753,479;

Authorize the City Manager to purchase airport liability insurance for the period of June 30, 2007 through June 30, 2008, through Alliant Insurance Services, for a total premium of \$205,169; and

Authorize the City Manager to purchase aircraft liability and hull insurance for police helicopters for the period of June 30, 2007 through June 30, 2008, through Alliant Insurance Services, for a total premium of \$137,714.
(Citywide)

DISCUSSION

The City annually purchases excess municipal liability, airport liability, and aircraft liability and hull insurance to cover catastrophic exposures arising from general city operations. This coverage is obtained through the City's broker of record, Alliant Insurance Services.

This year's policy for excess municipal liability insurance provides coverage limits of \$25 million in excess of the City's \$3 million self-insured retention. The City was able to obtain an additional \$5 million in limits for this year's renewal. The renewal premium is \$753,479, which is a decrease of 2 percent over last year's premium. Coverage for eminent domain, medical malpractice, and pollution contamination is excluded from this policy.

The City also maintains limits of \$100 million in airport liability coverage and \$50 million in coverage for liability resulting from terrorists acts. The renewal premium is \$205,169, which is the same as last year's premium. The policy includes extended coverage for international terrorist acts under the Terrorism Risk Insurance Act (TRIA).

The City maintains limits of \$50 million in aircraft liability and hull insurance, subject to a \$63,000 deductible when the helicopter is in motion for the Police Department's two

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Eurocopter EC-130 helicopters. The renewal premium is \$143,395, which is a decrease of 6 percent over last year's premium.

This matter was reviewed by Deputy City Attorney Lori Conway and Budget and Performance Management Bureau Manager David Wodynski on June 11, 2007.

TIMING CONSIDERATIONS

City Council action is requested on June 19, 2007, to allow the City to bind insurance coverage by the July 1, 2007 policy renewal date.

FISCAL IMPACT

The total cost of all three-renewal premiums will not exceed \$1,102,043 for the period of July 1, 2007 through July 1, 2008. Sufficient funding has been budgeted in the Insurance Fund (IS 390) and in the Department of Human Resources (HR) budget for insurance renewals. The cost of these insurance policies is allocated to funds based upon total insured value and risk, with approximately 50 percent of the premium allocated to the General Fund.

SUGGESTED ACTION:

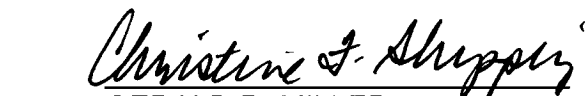
Approve recommendation.

Respectfully submitted,


SUZANNE R. MASON
DIRECTOR OF HUMAN RESOURCES

SRM:MVA

APPROVED:


GERALD R. MILLER
CITY MANAGER