

CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

C-11

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

Alejandrina Basquez
DIRECTOR

June 20, 2017

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 Insurance Company of the West, covering City Hall and the Convention Center, for the period of July 1, 2017 through July 1, 2018, through Alliant Insurance Services, Inc., for a premium not to exceed \$162,200. (Citywide)

DISCUSSION

For many years, the City did not purchase earthquake insurance because of exorbitant pricing. In recent years the City began to purchase such coverage on a limited basis, as premiums have declined. This year, the City has again procured earthquake insurance at a reasonable cost. The total premium quoted of \$162,200 is the same as charged for the expiring policy. The City is able to procure a total of \$10 million in coverage after the City exhausts a \$5 million self-insured retention, covering both City Hall and the Convention Center, in the event of an earthquake. The annual aggregate of the policy is also \$10 million. The insurance will cover the buildings, personal property within the buildings, and actual loss of income because of a building closure.

This matter was reviewed by Deputy City Attorney Amy R. Webber on May 22, 2017 and by Revenue Management Officer Geraldine Alejo on May 25, 2017.

TIMING CONSIDERATIONS

City Council action is requested on June 20, 2017, to allow the City to officially bind insurance coverage.

FISCAL IMPACT


The total premium cost will not exceed \$162,200 for the period of July 1, 2017 through July 1, 2018. Funding 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.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

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APPROVED:



PATRICK H. WEST
CITY MANAGER