



Legislation Text

File #: 15-0574, **Version:** 1

Recommendation to authorize City Manager to purchase difference in conditions (earthquake insurance) with Insurance Company of the West, covering City Hall and the Convention Center, for the period of July 1, 2015 through July 1, 2016, through Alliant Insurance Services, Inc., for a total premium not to exceed \$180,000. (Citywide)

For many years, the City did not purchase earthquake insurance because of exorbitant pricing. This year, the City has again procured earthquake insurance at a reasonable cost. The total premium of \$180,000 is a 23 percent decrease from the \$233,722 paid in FY 2014, while 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 Webber on June 1, 2015 and Budget Management Officer Victoria Bell on June 4, 2015.

City Council action is requested on June 23, 2015, to allow the City to officially bind insurance coverage.

The total premium cost will not exceed \$180,000 for the period of July 1, 2015 through July 1, 2016. Funding has been budgeted in the Insurance Fund (IS 390) within the Department of Human Resources (HR). The cost of difference in conditions (earthquake) insurance is allocated to all funds, with approximately 16 percent allocated to the General Fund. There is no local job impact associated with this request.

Approve recommendation.

DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST

CITY MANAGER