

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) REPEALING RESOLUTION NO. 60784 AND AUTHORIZING THE PURCHASE OF GOVERNMENT FIDELITY/CRIME INSURANCE TO MEET THE OFFICIAL BONDING REQUIREMENTS FOUND IN SECTION 905 OF THE CITY CHARTER; AND (B) AUTHORIZING THE DIRECTOR OF FINANCE TO (1) SELECT AND PURCHASE CERTAIN CITY PROPERTY AND LIABILITY INSURANCE POLICIES FOR THE PERIOD OF OCTOBER 1, 2022 TO OCTOBER 1, 2023, AT A TOTAL COST NOT TO EXCEED \$3,457,493, AS WELL AS AN 18.0% CONTINGENCY FOR ADDITIONAL PROPERTY OR ASSETS SCHEDULED, SUBJECT TO THE APPROPRIATION OF FUNDS; AND (2) SELECT AND PURCHASE ADDITIONAL LIABILITY INSURANCE FOR THE PERIOD OF OCTOBER 22, 2022 TO OCTOBER 22, 2023 AT A COST RANGING FROM \$250,000 TO \$950,000, SUBJECT TO THE APPROPRIATION OF FUNDS

WHEREAS, the City of San José (“City”), working in conjunction with the insurance broker Alliant Insurance Services, examined the City’s existing insurance program along with alternative coverages that could be considered, in accordance with the annual insurance renewal process of the City; and

WHEREAS, the City’s insurance program generally includes property insurance for City facilities and property (which includes property previously owned by the Redevelopment Agency of the City of San José, now owned by the City), airport owners and operators liability insurance, secondary employment law enforcement professional liability insurance, auto liability insurance (for Airport and Regional Wastewater Facility fleets only), insurance for physical damage to Airport shuttle buses, police aircraft hull and liability insurance, government crime insurance, and Terrorism Risk Insurance Act coverage on the property and airport liability policies, and a Life/Accidental Death and Dismemberment Policy for the Police Air Support Unit; and

WHEREAS, Section 905 (Official Bonds) of the City Charter provides that all officers and employees having custody or control of public funds are required to be bonded, and on August 2, 1988, the City Council adopted Resolution No. 60784 memorializing the Official Bonds requirement; and

WHEREAS, a Government Crime insurance policy affords equal or greater scope of coverage than a bond and has the added benefit of not having to continually remove and add employees as would be required by a bond; and

WHEREAS, the City desires to repeal Resolution No. 60784 and authorize the selection and purchase of the policies of insurance as described in the memorandum from the Director of Finance dated August 29, 2022;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- A. Resolution No. 60784 is hereby repealed, and the City is authorized to purchase Government Fidelity/Crime insurance to meet the Official Bonds requirements found in Section 905 of the City Charter.
- B. The Director of Finance is authorized to:
 - 1. Select and purchase City property and liability insurance policies for the period of October 1, 2022 to October 1, 2023, at a total cost not to exceed \$3,457,493, as well as an 18.0% contingency for additional property or assets scheduled, subject to the appropriation of funds, with the following insurance carriers:

- a. Coverage – Property Insurance, including Boiler and Machinery and Terrorism Risk Insurance Act Coverage: Insurance Carrier – Factory Mutual Insurance Company.
- b. Coverage – Terrorism Insurance: Insurance Carrier – Beazley Syndicate 2623/623 at Lloyd's.
- c. Coverage – \$15 million in Excess Flood Insurance for locations in high and moderate hazard flood zones on a 50/50 quota share basis: Insurance Carrier – The Princeton Excess and Surplus Lines Insurance Company and Arch Specialty Insurance Company.
- d. Coverage – Airport Owners and Operators Liability, including War Risks and Extended Perils Coverage (including Excess Automobile): Insurance Carrier – Starr Indemnity & Liability Company.
- e. Coverage – Police Aircraft Hull and Liability, including War Risks and Extended Perils Coverage: Insurance Carrier – Starr Indemnity & Liability Company.
- f. Coverage – Auto Liability Insurance for the vehicle fleets at the Airport and Regional Wastewater Facility: Insurance Carrier – Gemini Insurance Company.
- g. Coverage – Auto Physical Damage for the Airport shuttle buses: Insurance Carrier – Hanover Insurance Company.
- h. Coverage – Secondary Employment Law Enforcement Professional Liability: Insurance Carrier – QBE Specialty Insurance Company.
- i. Coverage – Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit: Insurance Carrier – Arch Insurance Company; and
- j. Coverage – Government Fidelity/Crime Coverage: Insurance Carrier – Great American Insurance Company.

2. Select and purchase Additional Liability Insurance for the period of October 22, 2022 to October 22, 2023 at a cost ranging from \$250,000 to \$950,000, subject to the appropriation of funds.

ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk