

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF FINANCE TO SELECT AND PURCHASE PROPERTY AND LIABILITY INSURANCE POLICIES FOR THE PERIOD OCTOBER 1, 2017 TO OCTOBER 1, 2018 AT A COST NOT TO EXCEED \$1,850,000, INCLUDING A 12.6% CONTINGENCY FOR ADDITIONAL PROPERTY OR ASSETS SCHEDULED

WHEREAS, the City of San José (“City”), working in conjunction with the insurance broker Arthur J. Gallagher 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 in 2016 the City added a Life/Accidental Death and Dismemberment Policy for the Police Air Support Unit, which had traditionally been purchased outside of the annual insurance renewal process; and

WHEREAS, the City desires to add one (1) additional insurance product: a Fiduciary Liability Policy for the City’s administration of a soon to be implemented Voluntary Employees’ Beneficiary Association (“VEBA”) Health Savings Trust; and

WHEREAS, the City desires to authorize the selection and purchase of the policies of insurance as described in the memorandum from the Director of Finance dated August 28, 2017;

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

The Director of Finance is authorized to select and purchase certain City property and liability insurance policies, including a Fiduciary Liability Policy for the City's administration of a soon to be implemented VEBA Health Savings Trust, for the period October 1, 2017 to October 1, 2018 at a total cost not to exceed \$1,850,000 for all policies with the following insurance carriers, subject to the appropriation of funds:

1. Coverage – Property and Casualty, including Boiler and Machinery: Insurance Carrier – American Home Assurance Company.
2. Coverage – Airport Owners and Operators Liability, including War Risks and Extended Perils Coverage (Primary and Excess), and Police Aircraft Hull and Liability, including War Risks and Extended Perils: Insurance Carrier – Old Republic Aerospace, Phoenix Aviation Managers.
3. Coverage – Automobile Liability (Airport and Regional Wastewater Facility fleet vehicles) and Physical Damage (Airport shuttle buses only): Insurance Carrier – The Travelers Indemnity Company of CT, or other insurers that the City is currently in negotiations with.
4. Coverage – Secondary Employment Law Enforcement Professional Liability: Insurance Carrier – QBE Specialty Insurance Company.

5. Coverage – Life/Accidental Death and Dismemberment Policy (Police Air Support Unit): Insurance Carrier – National Union Fire Insurance Company of Pittsburg, PA.
6. Coverage – Government Fidelity/Crime Policy: Insurance Carrier – Berkley Regional Insurance Company.
7. Coverage – Fiduciary Liability Coverage for the VEBA Health Savings Trust: Insurance Carrier – Hudson Insurance Company.

ADOPTED this _____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk