

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF FINANCE TO (A) SELECT AND PURCHASE CERTAIN CITY PROPERTY AND LIABILITY INSURANCE POLICIES FOR THE PERIOD OCTOBER 1, 2019 TO OCTOBER 1, 2020, AT A COST NOT TO EXCEED \$2,250,000, AS WELL AS AN 18.0% CONTINGENCY FOR ADDITIONAL PROPERTY OR ASSETS SCHEDULED, SUBJECT TO THE APPROPRIATION OF FUNDS; AND (B) SELECT AND PURCHASE ADDITIONAL INSURANCE COVERAGE NOT-TO-EXCEED \$450,000 FOR THE FOLLOWING PRODUCTS: (1) UP TO \$15 MILLION IN EXCESS PROPERTY COVERAGE FOR THE FLOOD PERIL AT A COST NOT TO EXCEED \$150,000, SUBJECT TO THE APPROPRIATION OF FUNDS; (2) AUTO LIABILITY INSURANCE FOR FLEET VEHICLES AT THE AIRPORT AND REGIONAL WASTEWATER FACILITY AT A COST NOT TO EXCEED \$120,000 FOR THE AIRPORT AND \$100,000 FOR THE REGIONAL WASTEWATER FACILITY, SUBJECT TO THE APPROPRIATION OF FUNDS; AND (3) UP TO \$25 MILLION IN EXCESS AUTO LIABILITY INSURANCE FOR AIRPORT FLEET VEHICLES AT A COST NOT TO EXCEED \$80,000, SUBJECT TO THE APPROPRIATION OF FUNDS

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 a Life/Accidental Death and Dismemberment Policy for the Police Air Support Unit; 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 September 5, 2019;

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

The Director of Finance is authorized to:

- A. Select and purchase certain City property and liability insurance policies for the period October 1, 2019 to October 1, 2020, at a total cost not to exceed \$2,250,000, as well as an 18% contingency for additional property or assets scheduled, with the following insurance carriers:
 1. Coverage – Property Insurance, including Boiler and Machinery and TRIA Coverage: Insurance Carrier – Factory Mutual Insurance Company.
 2. Coverage – Terrorism Insurance: Insurance Carrier – Beazley Syndicate 2623/623 at Lloyd's.
 3. Coverage – Airport Owners and Operators Liability, including War Risks and Extended Perils Coverage (including Excess Automobile and Employers' Liability), and Police Aircraft Hull and Liability, including War Risks and Extended Perils: Insurance Carrier – Old Republic Insurance Company.

4. Coverage – Secondary Employment Law Enforcement Professional Liability: Insurance Carrier – QBE Specialty Insurance Company.
 5. Coverage – Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit: Insurance Carrier – Hartford Life and Accident Insurance Company; and
 6. Coverage – Government Fidelity/Crime Coverage: Insurance Carrier – Berkley Insurance Company.
- B. Select and purchase additional insurance coverage not-to-exceed \$450,000 for the following products:
1. Up to \$15 million in excess property coverage for flood peril for locations in high and moderate hazard flood zones for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$150,000, subject to the appropriation of funds.
 2. Auto Liability insurance for Airport fleet vehicles including Shuttle Buses; Regional Wastewater Facility fleet vehicles; and Airport Shuttle Bus physical damage for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$120,000 for the Airport and \$100,000 for the Regional Wastewater Facility, subject to the appropriation of funds; and
 3. Up to \$25 million in Excess Auto Liability insurance for Airport fleet vehicles including Shuttle Buses for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$80,000, subject to the appropriation of funds.

ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk