



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Drew Corbett

SUBJECT: Approval of Citywide
Insurance Renewals

DATE: September 3, 2024

Approved

Date:

9/5/2024

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the Acting Director of Finance or his designee to:

- (a) Select and purchase City property, liability, and executive risk insurance policies for the period of October 1, 2024 to October 1, 2025, at a total cost not-to-exceed \$3,281,702 as well as an 18% contingency for additional property or assets scheduled, subject to the appropriation of funds, with the following insurance carriers:
 - (1) Factory Mutual Insurance Company for Property Insurance, including Boiler and Machinery and Terrorism Risk Insurance Act Coverage;
 - (2) Beazley Syndicate 2623/623 at Lloyd's for Terrorism Insurance;
 - (3) Hanover Insurance Company for Auto Physical Damage for the Airport shuttle buses;
 - (4) Lexington Insurance Company for Secondary Employment Law Enforcement Professional Liability;
 - (5) Arch Insurance Company for Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit; and
 - (6) Great American Insurance Company for Government Fidelity/Crime Coverage.
- (b) Select and purchase Additional Liability Insurance for the period October 22, 2024 to October 22, 2025, at a cost ranging from \$500,000 to \$1,100,000, subject to the appropriation of funds.
- (c) Select and purchase up to \$15 million in Excess Flood insurance on a 50/50 quota share basis for the period October 1, 2024 to October 1, 2025, for a cost not to exceed \$345,197, as well as an 18% contingency for additional property scheduled, subject to the appropriation of funds.

- (d) Select and purchase Airport Auto Liability insurance for the period October 1, 2024 to October 1, 2025, for a cost not to exceed \$219,877, as well as an 18% contingency for additional assets scheduled, subject to the appropriation of funds.
- (e) Select and purchase Regional Wastewater Facility Auto Liability insurance for the period October 1, 2024 to October 1, 2025, for a cost not to exceed \$191,803, as well as an 18% contingency for additional assets scheduled, subject to the appropriation of funds.

SUMMARY AND OUTCOME

After a relatively clean loss year in 2023, and smoother treating reinsurance renewals, insurance carriers were profitable for the first time in years. However, current market conditions across all insurance product lines continue to push premium increases for public entity policyholders¹.

Despite the City of San José (City) exposure to natural catastrophe events (i.e., flood) and loss history, the City renewed its insurance programs with relatively nominal changes in the renewal pricing and terms for its property and auto liability insurance. The **Attachment – Key Terms and Conditions** reflects the best value coverage and insurance carriers presented for fiscal year (FY) 2024-2025.

Approval of this recommendation ensures the City maintains appropriate insurance coverage to provide financial protection from certain types of catastrophic or financial loss.

BACKGROUND

Each year, the City purchases insurance to protect the City against a catastrophic event or specified perils. The City is self-insured for workers' compensation, general liability, and auto liability with limited exceptions described in this memorandum. The decision on whether or not to purchase insurance is based on many factors including, but not limited to, when the frequency of events cannot be predicted, when the severity of potential loss could seriously hamper operations, and when the cost of the insurance policy is not prohibitive.

To secure policies, the Finance Department reviews the City's insurance coverage and needs with the City's insurance broker, Alliant Insurance Services (Alliant). The review includes analyzing the City's risk exposures, trends in the insurance markets, insurance product line availability, and the City's historical philosophy to insuring for losses. Alliant

¹ [Alliant Insurance Marketplace Insights and Observations 2024 Mid-Year Report](#)

presents the City's risk portfolio to insurance carriers to obtain the best value insurance coverage, solicits competitive quotations from major insurance companies for all recommended insurance product lines where applicable, and presents the results to the Finance Department for consideration.

Staff compares and evaluates the quotes based on scope of coverage, cost, the insurer's financial strength and reputation for claims payment, and the insurer's availability of resources to provide services such as property appraisals, safety training, and loss prevention engineering services. Based on the information and analysis, the Finance Department determines the appropriate insurance coverage and recommends the most advantageous insurance policies to the City Council.

In 2023, the City added Auto Physical Damage insurance for Police Department Grant Funded Vehicles to its insurance portfolio. The Finance Department recommended that this policy be secured through an insurance program that renews every July 1st. The renewal policy for the period July 1, 2024, to July 1, 2025, has been secured under the City Manager's contract authority at a total annual cost of \$13,981.

ANALYSIS

The Finance Department completed the annual insurance renewal process for FY 2024-2025 with Alliant and recommends the insurance coverage described below.

A. Insurance Coverage Recommended

1. All Risk Property including Boiler and Machinery Insurance

All Risk property insurance provides coverage for City-owned and leased real and personal property, including buildings, contents, business interruption, boiler and machinery, electronic data processing equipment, fine arts, loss of rents, expediting costs, off-premises services interruption, unnamed locations, transit, animals, accounts receivable, valuable papers, data, rebuild with green upgrades, and other coverage as detailed in the policy forms subject to sub-limits as defined in the policy. This includes one property (the Billy DeFrank Community Center) currently owned by the Successor Agency to the Redevelopment Agency (SARA).

The property insurance market has shown signs of improvement as the pace of rate increases has continued to slow for most policyholders, including public entities². The dominant driver of losses in 2023 was the severe connective storm peril, which accounted for a record \$71 billion in insured losses. Six of the top ten most expensive insured events in 2023 were severe connective storm events in

² [Alliant Insurance Marketplace Insights and Observations 2024 Mid-Year Report](#)

the United States³. Policyholders with significant amount of natural catastrophe exposure and a history of losses are experiencing rate increases ranging from 10 to 20%⁴.

The second half of 2023 indicated cooling of inflation and 2024 has seen a leveling off of inflationary pressures and rebuilding costs. Nevertheless, property underwriters, especially in the public entity space, still have major concerns about whether the insurable values provided by commercial policyholders accurately reflects the exposure. Policyholders must continue to substantiate their valuation process with third-party appraisals, value trending, or favorable benchmark comparisons to avoid restrictive terms and conditions⁵.

To address the valuation of assets issue, the City conducted eight property appraisals to update the replacement cost values of 15.1% of the City's property portfolio. Five of the property appraisals focused on valuation of locations within the City's 30 largest insured locations as measured by Total Insured Values, including the McEnery Convention Center and the Central Service Yard. Additionally, staff applied a flat (0.0%) inflation factor to existing buildings not subject to a property appraisal. The inflation factor reflected a mid-point between the May 2024 Engineering News Record Construction Cost Index for San Francisco of -1.1%⁶ and the Bureau of Labor Statistics Construction Cost Index of 1.0%. Citywide, property values increased by \$72.4 million to \$6.59 billion, or a 1.1% increase relative to property values provided for the FY 2023-2024 renewal.

Incumbent property insurer Factory Mutual Insurance Company (FM) has provided a proposal for the renewal term. The property insurance limit quoted by FM is \$1.0 billion each occurrence with a \$500,000 minimum deductible per occurrence. The FM proposal for flood coverage includes annual aggregate limits of \$10 million with a \$500,000 per location deductible, with certain exceptions⁷. Coverage terms and conditions are consistent with the current program.

The FM proposal contemplates a 1.0% rate increase superimposed on the 1.1% increase in insurable values, offset by a one-time Membership Credit in the amount of \$415,242. In May 2024, FM announced approximately \$1.4 billion in Membership Credits to eligible policyholders who renewed their property insurance policies between June 30, 2024 and June 29, 2025. The Membership Credit provided to eligible policyholders is based on their expiring premium and

³ [Alliant Insurance Marketplace Insights and Observations 2024 Mid-Year Report](#)

⁴ 2024 USI Insurance Commercial Property and Casualty Market Outlook Mid-Year Addendum

⁵ [Alliant Insurance Marketplace Insights and Observations 2024 Mid-Year Report](#)

⁶ The Engineering News Record Construction Cost Index for San Francisco was used by the Public Works Department to adjust (a) the Major Public Works Contract threshold for FY 2024-2025; (b) the Micro Contract threshold for FY 2024-2025; and (c) the Director's award authority threshold for FY 2024-2025.

⁷ The Airport and McEnery Convention Center are subject to a \$10 million per location flood deductible and the Regional Wastewater Facility is subject to a \$5 million per location flood deductible.

tenure with FM and applied as an offset against premium at a renewal or anniversary date⁸.

Insurance Carrier: Factory Mutual Insurance Company

Policy Period	2024-2025	2023-2024
Annual Premium (Net) ⁹	\$3,209,717	\$3,142,199
Membership Credit ¹⁰	(\$415,242)	(\$270,678)
Resilience Credit	\$0	(\$135,339)
Other Credit ¹¹	(\$6,000)	\$0
Broker Fees ¹²	\$62,178	\$55,185
Total Annual Costs	\$2,850,653	\$2,791,367

The City will continue conducting property appraisals to update the replacement cost valuations of the City's property portfolio and will target six of its 30 largest insured locations by total insured values in FY 2024-2025, including Sharks Ice at San José, the California Theater, and the Police Department Administration buildings. In addition to the insurance products procured last year, the City utilized risk engineering services to evaluate fifteen City-owned properties over the last 12 months. Risk engineering services help identify common risks resulting in damage or destruction of property such as fire, flood, or other operational risks, and are geared to finding solutions aimed to reduce property loss or disruption of use.

2. Terrorism Risk Insurance Act of 2002 (TRIA) and Terrorism Insurance

TRIA coverage provides an insurance mechanism, shared by private insurance carriers and the federal government, for losses arising from acts of terrorism as certified by the United States Secretary of the Treasury, in consultation with the Secretary of Homeland Security and Attorney General, and defined by the TRIA. It does not cover liability losses. TRIA has been extended and is set to expire on December 31, 2027. Coverage is currently provided through a federal program for 85% of total aggregate loss up to \$100 billion in aggregate losses with total losses being no less than \$5 million. FM has provided a quote for TRIA coverage for an incremental premium of \$188,372, an \$8,638 or 4.81% increase over the

⁸ [FM Global Announces Record US\\$1.4 Billion Membership Credit for FM Global's Client Owners](#)

⁹ Net refers to gross premiums less broker commissions as broker compensation is provided through a fee agreement between the City and Alliant.

¹⁰ The 2024-2025 Membership Credit on the FM Global proposal is based on 12.5% of the eligible in-force premium.

¹¹ The City received a one-time credit of \$6,000 for removing the Fairmont Hotel Garage (now Signia by Hilton) from the property schedule as Signia by Hilton is insuring the real property including the garage. The one-time credit will go to the Parking Fund (Fund 533).

¹² Broker fees include fees allocated for TRIA, Stand-alone Terrorism and Excess Flood coverages.

expiring premium. FM participates in a pooled reinsurance program for TRIA and the rate increase reflects the increase in the cost of reinsurance.

Insurance Carrier: Factory Mutual Insurance Company

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$188,372	\$179,734

The City began purchasing stand-alone terrorism insurance in 2019. Stand-alone terrorism insurance provides a broader definition of terrorism than TRIA and includes third party liability coverage. Staff recommends continuation of a combined property and liability terrorism policy. Incumbent insurer Beazley, a syndicate member of Lloyd's of London, provided a renewal quote for \$10 million in aggregate limits for premium and fees of \$28,725, a \$325 or 1.13% increase over the expiring premium.

Insurance Carrier: Beazley Syndicate 2623/623 at Lloyd's

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$28,155	\$27,840
Surplus Lines Tax & Fees	\$895	\$885
Total Annual Premiums	\$29,050	\$28,725

3. Excess Flood

To mitigate the impact of reduction to the base flood coverage from \$25,000,000 to \$10,000,000 from the 2019 renewal¹³, the City obtained an excess policy that provides \$15,000,000 in limits excess of the primary property policy on a 50/50 quota share basis, where the City and excess insurers share the financing of losses on a 50/50 basis. The incumbent insurers The Princeton Excess and Surplus Lines Insurance Company and Arch Specialty Insurance Company have provided an indication on the cost of the program; however, staff anticipates competitive quotes from other markets. Based on the current indications, Excess Flood premiums and fees will increase by no more than \$11,582 or 3.47% relative to the expiring program.

¹³ [Approval of Citywide Insurance Renewals City Council Memorandum 9-5-19](#)

Insurance Carriers: To be determined

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$334,558	\$323,333
Surplus Lines Tax	\$10,639	\$10,282
Total Annual Premiums	\$345,197	\$333,615

4. Automobile Liability for Airport Fleet and Shuttle Bus Fleet Physical Damage

Automobile liability insurance provides coverage for bodily injury, property damage, and personal injury for claims arising out of Airport vehicle operations. Airport shuttle bus physical damage insurance provides comprehensive physical damage (i.e., fire, theft, vandalism, malicious mischief) coverage for the owned and leased airport shuttle buses, including the nine high-value zero emissions shuttle buses purchased from Proterra in 2019¹⁴.

There is a limited commercial insurance marketplace for stand-alone auto liability and auto physical damage coverage. Auto repair costs (labor, parts, and materials) keep rising, as does attorney representation in auto losses, and are contributing factors to the continued distressed auto insurance market¹⁵. A large loss from 2019 continues to have an adverse impact on the pricing of the Airport auto liability program.

The City has received a competitive quote from the incumbent auto liability insurer Gemini Insurance Company; however, staff anticipates competitive quotes from other markets. Based on the current quote, Airport premiums and fees for auto liability and auto physical damage coverage will increase by no more than \$23,455 or 9.44% relative to the expiring program.

Insurance Carrier: To be determined (Auto Liability)

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$209,634	\$182,727
Surplus Lines Tax	\$6,667	\$5,811
Total Annual Premiums	\$216,301	\$188,538
Broker Fees	\$3,576	\$3,407
Total Annual Costs	\$219,877	\$191,945

¹⁴ One of the ten zero emissions buses purchased in 2019 was retired in 2024.

¹⁵ [Alliant Insurance Marketplace Insights and Observations 2024 Mid-Year Report](#)

Insurance Carrier: Hanover Insurance Company (Auto Physical Damage)

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$53,885	\$59,654
TRIA Coverage	\$1,743	\$1,878
Total Annual Premiums	\$55,628	\$61,532
Broker Fees	\$1,131	\$1,145
Total Annual Costs	\$56,759	\$62,677

Total Annual Costs for Airport Auto Liability and Auto Physical Damage	\$276,636	\$254,622
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5. Automobile Liability for Regional Wastewater Facility Fleet

Automobile liability provides coverage for bodily injury, property damage, and personal injury for claims arising out of Regional Wastewater Facility vehicle operations. The City has received a competitive quote from the incumbent auto liability insurer Gemini Insurance Company; however, staff anticipates competitive quotes from other markets. Based on the current quote, Regional Wastewater Facility total premiums increased by \$24,085 or 14.63% over the expiring program. Like the Airport, a large loss from 2017 continues to have a negative impact on the pricing of the Regional Wastewater Facility auto liability program.

Insurance Carrier: To be determined (Auto Liability)

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$182,866	\$159,523
Surplus Lines Tax	\$5,815	\$5,073
Total Annual Premiums	\$188,681	\$164,596
Broker Fees	\$3,122	\$2,937
Total Annual Costs	\$191,803	\$167,533

6. Life/Accidental Death and Dismemberment Policy for Police Air Support Unit

The Life/Accidental Death and Dismemberment program provides an accidental death, accidental dismemberment, and paralysis benefit of \$250,000 per person for accident or injury of any member of the Police Air Support Unit as defined in Section 5.6.8 of the San José Police Officer's Association Memorandum of

Agreement subject to an aggregate limit of \$1,250,000 per accident. The City added this insurance product line to its portfolio in 2016.

In 2022, the City placed the Life/Accidental Death and Dismemberment policy with Arch Insurance Company with a three-year rate guarantee that expires on October 1, 2025, at an annual premium of \$7,157. Alliant has confirmed the Arch Insurance Company policy remains the best available pricing and coverage for this program.

Insurance Carrier: Arch Insurance Company

Policy Period	2024-2025	2023-2024
Annual Premium (Net) ¹⁶	\$7,157	\$7,157
Broker Fees	\$136	\$144
Total Annual Costs	\$7,293	\$7,301

7. Secondary Employment Law Enforcement Professional Liability

The Secondary Employment Law Enforcement Professional Liability program provides coverage for an actual or alleged error or omission, negligent act, or breach of duty that results in bodily injury, property damage, or personal injury by City police officers who have been approved to participate in the Secondary Employment program (Participating Officers) while conducting law enforcement activities on behalf of approved third-party secondary employers. The incumbent carrier is Lexington Insurance Company, an insurance operating subsidiary of the American International Group better known as AIG.

Alliant secured a renewal quote from Lexington Insurance Company, that reflects a 2.38% or \$2,843 increase in annual premiums over the expiring program. Coverage terms and conditions are consistent with the expiring policy. Despite the cost increase relative to the expiring program, Alliant believes the renewal program presents a good result for the City as Alliant has been seeing 10% to 30% rate increases for California municipality clients.

The projected number of Participating Officers decreased by 16.09% from 690 to 579 officers. The City's renewal rate is \$214.73 per Participating Officer¹⁷, who contribute \$110 per year to obtain coverage.

¹⁶ The recommended policy contains a rate guarantee through September 30, 2025, with an annual installment premium, and the policy is subject to termination based on annual appropriation of funds and the City having the ongoing obligation to procure coverage per Section 5.6.8 of the San José Police Officer's Association Memorandum of Agreement.

¹⁷ Participating Officers include Sworn Officers and Reserve Officers

Insurance Carrier: Lexington Insurance Company

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$118,304	\$115,549
Surplus Lines Tax	\$3,762	\$3,674
Total Annual Premiums	\$122,066	\$119,223
Broker Fees	\$2,261	\$2,264
Total Annual Costs	\$124,327	\$121,487

Estimated Officer Contribution: \$63,690

Estimated City Contribution: \$60,637

8. Government Crime Insurance

Government Crime insurance provides coverage to the City for financial losses arising from employee theft, forgery or alteration, robbery or safe burglary, computer fraud, funds transfer fraud, or money orders and counterfeit money fraud. 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. The City Council authorized the purchase of Government Crime Insurance as meeting the Official Bonds requirement via Resolution No. 80683 adopted by the City Council on September 20, 2022¹⁸, as a Government Crime 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.

The City obtained a renewal quote from incumbent carrier Great American Insurance Company at a premium consistent with the expiring program. Coverage terms and conditions are consistent with the expiring policy.

Insurance Carrier: Great American Insurance Company

Policy Period	2024-2025	2023-2024
Annual Premium (Net)	\$24,778	\$24,778
Broker Fees	\$470	\$454
Total Annual Costs	\$25,248	\$25,232

B. Insurance Coverage Not Recommended

The insurance coverage listed below was reviewed by staff with the assistance of Alliant. The market conditions remain consistent with last year's renewal decisions. Staff does not recommend purchasing additional coverage now. The

¹⁸ [City Council Meeting Minutes for September 20, 2022](#)

recommendation is based on multiple factors including but not limited to the products being cost prohibitive, the scope of coverage being too narrow considering the City's risk exposure, or the coverage was unavailable, limits too low, or excessive in cost due to the nature of the risk. Staff, in consultation with Alliant, will continue to review the market on an annual basis and make the appropriate recommendations to City Council should circumstances change.

1. Earthquake

Earthquake coverage is provided through a separate insurance product line. Coverage is limited to direct damages caused by earth movement, which is excluded on the All Risk property coverage policy. Coverage for damage from sprinkler leakage caused by an earthquake, and damage resulting from fire following an earthquake is covered by the All Risk property policy. In previous years, staff has inquired into the total cost of earthquake insurance for the entire property schedule and found coverage to be cost prohibitive.

Alliant confirmed rates have not improved for FY 2024-2025 and estimated that a \$100 million earthquake limit would cost approximately \$8.0 million and be subject to a minimum deductible of 5% of the values at risk.

EVALUATION AND FOLLOW-UP

The memorandum will not require any follow-up from staff.

COST SUMMARY/IMPLICATIONS

The estimated funding to pay for various insurance premiums in FY 2024-2025 was included in the FY 2024-2025 Adopted Operating Budget approved by the City Council on June 11, 2024, and adopted on June 18, 2024. The recommended actions also include authorization for an additional 18% contingency to schedule additional property or assets as required, subject to the appropriation of funds.

BUDGET REFERENCE

The table below details the fund and appropriations recommended to fund the insurance premiums identified. In addition, costs associated with insuring the remaining Successor Agency to the Redevelopment Agency asset is estimated to be \$745 in FY 2024-2025. The anticipated payment of these costs associated with asset management for the Successor Agency to the Redevelopment Agency property is reflected on line 85 of the Recognized Obligation Payment Schedule as an enforceable obligation to maintain and protect the assets of the Successor Agency to the Redevelopment Agency allowed under the dissolution law.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Recommended Amount for Premium and Broker Fees ^a	2024-2025 Proposed Operating Budget Page ^b	Last Budget Action (Date, Ord. No.)
001	2001	Insurance Premiums	\$2,796,464	\$2,426,210	788	06/18/2024 31102
523	0802	Airport Department Non-Personal/Equipment	\$59,549,251	\$1,224,837	816	06/18/2024 31102
513	0762	Environmental Services Department Non-Personal/Equipment	\$52,566,166	\$657,487	903	06/18/2024 31102
536	3405	Insurance Expenses	\$682,000	\$423,975	844	06/18/2024 31102
001	2864	Police Officers' Professional Liability Insurance	\$133,334	\$124,327	788	06/18/2024 31102
533	0512	Department of Transportation Non-Personal/Equipment	\$7,593,653	\$122,773	859	06/18/2024 31102
346	0109	Asset Management Services	\$1,750,000	\$36,429	871	06/18/2024 31102
423	0762	Environmental Services Department Non-Personal/Equipment	\$5,363,345	\$9,951	869	06/18/2024 31102
515	0762	Environmental Services Department Non-Personal/Equipment	\$47,509,687	\$3,920	916	06/18/2024 31102

^a The amount for premium is subject to change up until the beginning date of the new insurance policy. The Successor Agency to the Redevelopment Agency is billed separately for its share of broker fees and premium costs.

^b The 2024-2025 Adopted Operating Budget was approved on June 11, 2024, and adopted on June 18, 2024 by the City Council.

COORDINATION

This memorandum was coordinated with the Airport Department, City Attorney's Office, City Manager's Budget Office, City Manager's Office of Economic Development and

Cultural Affairs, Department of Transportation, Environmental Services Department, Housing Department, Police Department, and Public Works Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 17, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

The insurance renewals for the San José - Santa Clara Regional Wastewater Facility are scheduled to be heard at the September 12, 2024, Treatment Plant Advisory Committee meeting. A supplemental memorandum with the Treatment Plant Advisory Committee's recommendation will be included in the September 17, 2024 City Council meeting agenda.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
DREW CORBETT
Acting Director of Finance

The principal author of this memorandum is Miguel Bernal, Risk Manager, Finance Department. For questions, please contact miguel.bernal@sanjoseca.gov or (408) 975-1438.

ATTACHMENT - Key Terms and Conditions

ATTACHMENT A – KEY TERMS AND CONDITIONS

1. ALL RISK PROPERTY AND BOILER AND MACHINERY INSURANCE

	CURRENT PROGRAM	RENEWAL PROGRAM
	10/01/2023-10/01/2024	10/01/2024-10/01/2025
Carrier	Factory Mutual Insurance Company (FM)	Factory Mutual Insurance Company (FM)
Total Insurable Values	\$6,518,728,608	\$6,591,123,970
Limit of Liability	\$1,000,000,000 Property Damage and \$300,000,000 Business Interruption subject to a \$500,000 Deductible per Occurrence	\$1,000,000,000 Property Damage and \$300,000,000 Business Interruption subject to a \$500,000 Deductible per Occurrence
Boiler and Machinery	Included	Included
Earthquake	Excluded. Relatively low limits available 5% deductible, high premium-not recommended.	Excluded. Relatively low limits available 5% deductible, high premium-not recommended.
Flood	\$10,000,000 for all locations. Deductible is \$500,000 per location for all locations except the Airport, Convention Center, and Regional Wastewater Facility are given a flat \$10,000,000 (Airport and Convention Center) and \$5,000,000 (Regional Wastewater Facility) per location flood deductible.	\$10,000,000 for all locations. Deductible is \$500,000 per location for all locations except the Airport, Convention Center, and Regional Wastewater Facility are given a flat \$10,000,000 (Airport and Convention Center) and \$5,000,000 (Regional Wastewater Facility) per location flood deductible.
Other Sub-limits	Other sub-limits as outlined in the insurance policy on file in Risk Management	Other sub-limits as outlined in the insurance policy on file in Risk Management
Terrorism and Non-Certified Act of Terrorism	Included for additional premium	Included for additional premium
Engineering Services	Included in coverage	Included in coverage
Multiyear	Not Available	Not Available

2. AUTOMOBILE LIABILITY FOR THE AIRPORT FLEET AND AIRPORT SHUTTLE BUS FLEET PHYSICAL DAMAGE

	CURRENT PROGRAM 10/01/2023-10/01/2024	RENEWAL PROGRAM 10/01/2024-10/01/2025
Carriers	Gemini Insurance Company (Auto Liability) Hanover Insurance Company (Physical Damage)	TBD (Auto Liability) Hanover Insurance Company (Physical Damage)
Coverage and Deductibles	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) Retention \$250,000 each Accident Physical Damage-Buses Only Per Schedule Subject to \$10,000 Comp/\$10,000 Coll. except New Flyer Buses \$5,000 Com/\$5,000 Coll.	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) Retention \$250,000 each Accident Physical Damage-Buses Only Per Schedule Subject to \$10,000 Comp/\$10,000 Coll. except New Flyer Buses \$5,000 Com/\$5,000 Coll.
Exposure	Number of Vehicles: 86	Number of Vehicles: 82

3. AUTOMOBILE LIABILITY-REGIONAL WASTEWATER FACILITY FLEET

	CURRENT PROGRAM 10/01/2023-10/01/2024	RENEWAL PROGRAM 10/01/2024-10/01/2025
Carrier	Gemini Insurance Company (Auto Liability)	TBD (Auto Liability)
Coverage and Deductibles	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) Retention \$250,000 each Accident	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) Retention \$250,000 each Accident
Exposure	Number of Units: 59	Number of Units: 58

4. LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT

	CURRENT PROGRAM 10/01/2023-10/01/2024	RENEWAL PROGRAM 10/01/2024-10/01/2025
Carrier	Arch Insurance Company	Arch Insurance Company
Limits of Insurance and Deductibles	Blanket Accident and Health Policy (Accident Only; Injury Only) Principal Sum (loss of Life): \$250,000; subject to an aggregate limit of \$1,250,000 per accident	Blanket Accident and Health Policy (Accident Only; Injury Only) Principal Sum (loss of Life): \$250,000; subject to an aggregate limit of \$1,250,000 per accident

5. SECONDARY EMPLOYMENT LAW ENFORCEMENT PROFESSIONAL LIABILITY

	CURRENT PROGRAM 10/01/2023-10/01/2024	RENEWAL PROGRAM 10/01/2024-10/01/2025
Carrier	Lexington Insurance Company (AIG)	Lexington Insurance Company (AIG)
Limits of Insurance and Deductibles	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate \$100,000 Annual Aggregate Line of Duty Death Coverage Subject to a \$100,000 Deductible including Loss Adjustment Expense ¹⁹	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate \$100,000 Annual Aggregate Line of Duty Death Coverage Subject to a \$100,000 Deductible including Loss Adjustment Expense ²⁰
Average Rate per Officer	\$176.07 (690 Participating Officers estimated at policy inception)	\$214.73 (579 Participating Officers estimated at policy inception)

6. GOVERNMENT CRIME

	CURRENT PROGRAM 10/01/2023-10/01/2024	RENEWAL PROGRAM 10/01/2024-10/01/2025
Carrier	Great American Insurance Company	Great American Insurance Company
Limits of Insurance and Deductibles	Employee Theft, Forgery, or Alteration and Inside the Premises-Theft of Money and Securities-\$5,000,000 per occurrence subject to a \$250,000 deductible per occurrence.	Employee Theft, Forgery, or Alteration and Inside the Premises-Theft of Money and Securities-\$5,000,000 per occurrence subject to a \$250,000 deductible per occurrence.
Sublimits of Insurance	Computer Fraud, Funds Transfer Fraud, and Money Orders and Counterfeit Money- \$1,000,000 per occurrence subject to a \$250,000 deductible per occurrence. Government Deception Fraud-\$250,000 per occurrence subject to a \$250,000 deductible per occurrence.	Computer Fraud, Funds Transfer Fraud, and Money Orders and Counterfeit Money- \$1,000,000 per occurrence subject to a \$250,000 deductible per occurrence. Government Deception Fraud-\$250,000 per occurrence subject to a \$250,000 deductible per occurrence.

¹⁹ Loss Adjustment Expense includes costs for investigation and defense of claims.

²⁰ Loss Adjustment Expense includes costs for investigation and defense of claims.