



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Mark Danaj

**SUBJECT:** APPROVAL OF CITYWIDE  
INSURANCE PLACEMENT

**DATE:** September 2, 2008

Approved

*Christine J. Shippey*

Date

*9/8/08*

**COUNCIL DISTRICT:** N/A  
**SNI AREA:** N/A

## RECOMMENDATION

Approval of purchase of insurance policies for the period October 1, 2008 to October 1, 2009 at a cost not to exceed \$2,000,000 by the Director of Human Resources with the following insurance carriers:

Coverage	Insurance Carrier(s)
Property including Boiler & Machinery	Factory Mutual Insurance Company
Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (Primary and Excess)	ACE Property & Casualty Insurance Company and Lloyds of London
Secondary Employment Law Enforcement Professional Liability	Indian Harbor Insurance Company
Automobile Liability (Airport/WPCP) and Airport Shuttle Bus	Travelers Property Casualty Insurance Company
Police Aircraft Hull & Liability including War Risks & Extended Perils Coverage	Westchester Fire Insurance Company

## OUTCOME

Approval of this report results in the ability for the City to purchase insurance policies as outlined.

## EXECUTIVE SUMMARY

Provide financial protection for catastrophic loss by securing various property and casualty insurance policies on behalf of the City of San José. Annually, Human Resources, on behalf of

the City and the Redevelopment Agency, reviews their insurance coverages with their Insurance Broker, Marsh Risk and Insurance Services (Marsh USA.) Marsh receives competitive quotes from the insurance market and presents them for consideration to Human Resources. After review of the scopes of coverage, cost, financial strength to pay claims, and resources available to provide services, Human Resources determines the appropriate insurance coverages for the period of October 1, 2008 until September 30, 2009, as recommended in this memorandum.

## **BACKGROUND**

The City of San José (“City”) and the Redevelopment Agency of the City of San José (“Agency”) reduce the City’s liability for catastrophic events via insurance policies when the frequency of events cannot be predicted, the severity of potential losses could seriously hamper operations, and where the cost of coverage is not prohibitive.

The City purchases a number of different insurance policies with annual premiums below \$100,000 and/or with different expiration dates (e. g. Notary Bonds, Airport Customs Bond, Fiduciary Liability, and others). The insurance policies addressed in this memorandum have an annual renewal date of October 1, 2008. The premiums reflected are as of the October 1, 2008 renewal date. Premiums are subject to change during the course of the year based on additions and/or deletions to the policies. In 2007 the City exposures remained relatively unchanged compared to 2006. The results for the October 1, 2008 insurance renewal are a reflection of the ever changing insurance marketplace conditions. Generally the marketplace today is in a softening phase of the insurance cycle. This will result in the City achieving better terms and conditions at the same to somewhat lower costs as compared to a year ago.

## **ANALYSIS**

On an annual basis, the Human Resources Department reviews the City’s and Redevelopment Agency’s risk exposures with the City’s insurance broker. On June 30, 2008, Marsh Risk & Insurance Services (“Marsh”) became the City’s broker and has been working diligently with the Department to obtain cost effective insurance coverage.

The City, through Marsh, solicited major international insurance carriers to provide insurance premium quotes for the policies which expire at midnight on September 30, 2008. Through this effort, the City has been successful in obtaining insurance quotes for all policies recommended for purchase. Proposals have been compared and evaluated with respects to scope of coverage, cost, and financial strength to pay claims and resources available to provide services such as property inspections and loss control services. Appendix A reflects the best coverages, renewal premiums and insurance carriers available. Appendix B provides a comparison of insurance premiums by fund and type of insurance. This comparison shows that the aggregate insurance quotes received are 6.67% less than the quotes the City and the Redevelopment Agency received last year.

Consistent with the City's annual insurance renewal process, Human Resources staff, working with our insurance broker, examined the City's existing insurance program along with alternative coverages that could be considered. Staff also worked with the Agency and the affected departments listed under the coordination section below to determine their insurance needs for City property and facilities. The coverages examined for this renewal period are described below in two categories: insurance coverages recommended and insurance coverages which are not cost effective and therefore not recommended for purchase. The costs associated with the insurance policies recommended have already been included in the 2008-2009 Adopted Operating Budget and no additional funds are needed at this time.

### **Insurance Coverages Recommended**

- **All Risk including Boiler & Machinery Property Insurance** - Provides coverage for City and Agency owned and leased real and personal property (including buildings, contents, business interruption, boiler and machinery, EDP equipment and media, fine arts, mobile and contractors equipment, builders risk, loss of rents, expediting expenses, off premises services interruption, building ordinance coverage, unnamed locations, transit, accounts receivable, valuable papers, and other coverages as detailed in the policy forms subject to sub-limits as defined in the policy). The carrier offers a three-year rate guarantee, subject to terms and conditions of its "Successive Renewal Agreement".

The property insurance limit is \$1 billion with a \$100,000 deductible per occurrence. The City has an opportunity to increase the deductible to \$250,000, which will result in a \$28,400 reduction in overall premium (see Appendix A for details). Given this small reduction in premium at the risk of a \$150,000 increase in deductible, this option is not recommended. The annual rate per \$100 of insured value decreased for the 10/1/2008 renewal from 0.0526 per \$100 to 0.0445 per \$100, a reduction in the annual rate per \$100 of insured value of 15.4%.

Insurance Carriers: Factory Mutual Insurance Company

- **Airport Owners and Operators Liability including War Risks & Extended Perils Coverage** – Provides coverage for those sums that the City becomes legally obligated to pay as damages because of bodily injury, property damage and personal injury resulting from airport operations.

Insurance Carriers: ACE Property & Casualty Insurance Company and Lloyds of London

- **Secondary Employment Law Enforcement Professional Liability** – Provides coverage for an actual or alleged error or omission, negligent act, neglect or breach of duty by the City's police officers who have been approved to participate in the Secondary Employment program by the City's Secondary Employment Unit (SEU) while conducting law enforcement activities on behalf of an approved third party secondary employer, which result in bodily injury, property damage or personal injury.

Insurance Carriers: Indian Harbor Insurance Company

- Auto Liability – Provides coverage for bodily injury, property damage and personal injury for claims arising out of the operation of the Airport and Water Pollution Control Plant auto fleets.

Insurance Carrier: St. Paul/Travelers

- Airport Shuttle Bus - Physical Damage - Provides comprehensive physical damage (e. g. fire, theft, vandalism, malicious mischief) and collision damage subject to a \$25,000 deductible.

Insurance Carrier: St. Paul/Travelers

- Police Aircraft Hull and Liability including War Risks & Extended Perils Coverage – Provides coverage for those sums that the City becomes legally obligated to pay as damages because of bodily injury (including passengers), property damage and hull coverage for the Cessna 182 and American Eurocopter EC120B.

Insurance Carrier: Westchester Fire Insurance Company

Appendix A provides a detailed table comparing the current insurance program by coverage levels, carrier(s) and premiums to the recommended renewal program.

### **Insurance Coverages Not Cost Effective**

While the insurance coverages described below are not cost effective to the City today, Human Resources staff, in consultation with our insurance broker, will continue to review the cost and make recommendations to purchase insurance coverage to the extent the purchase of any or all of these coverages become cost effective.

Terrorism Risk Insurance Act of 2002 (TRIA) – Provides coverage for insured losses resulting from certified acts of terrorism as defined by TRIA. For those participating, coverage is currently provided through a temporary Federal program. TRIA was extended by Congress on December 31, 2005 for an additional two years to expire on December 31, 2007, and has since been extended again and amended, as explained below.

The Terrorism Risk Insurance Act of 2002, as amended and extended in 2007 to expire on December 31, 2014, requires that insurers advise clients, prior to the renewal date of their current policy of their option to elect or reject terrorism coverage under the act as part of their property renewal policy. It also requires insurers to disclose the cost of such coverage for the policy term. As a brief reminder, the act provides licensed, admitted carriers with a substantial federal reinsurance backstop for terrorism acts that are certified

by the Secretary of the Treasury of the United States as covered events (known as certified losses). Generally speaking, the act responds strictly to events that take place within the United States, its protectorates, territories, and possessions. The City first considered purchase of TRIA coverage on January 28, 2003 (item #3.6), after it was first offered following enactment of the legislation and again in June 2003 and September 2004 in conjunction with the renewal of the City's policies. The City continues to decline to purchase this coverage based on the assessment of the risk and the cost and coverage limitations.

The coverage under TRIA is very specific and somewhat limited. There are several very specific requirements for TRIA coverage to apply, as briefly summarized below:

- The Secretary of the Treasury must certify an event as an "Act of Terrorism." To qualify as an "act of terrorism", the event must be committed by an individual or individuals acting on behalf of any person or interest to coerce the civilian population of the U.S. or influence U.S. policy or conduct by coercion. Originally limited to "foreign" acts of terrorism, note that "domestic terrorism" like the Oklahoma City bombing is now considered an "Act of Terrorism" under the renewed TRIA.
- An "Act of Terrorism" is defined as any violent act or act that is dangerous to life or property that results in damage totaling at least \$5 million in the United States. Acts committed as part of a war declared by Congress are excluded from the scope of the definition.
- The terms and conditions of coverage (limit, deductible, etc.) are governed by the specific policy.
- Under TRIA, there is a \$5 million aggregate requirement. Total damages suffered by all insureds from an "Act of Terrorism" as defined by TRIA must be at least \$5 million. If the \$5 million threshold is met, coverage applies subject to specific policy terms and conditions. In the case of the property insurance program, a \$100,000 per occurrence deductible would apply.

The City has limited terrorism coverage under the All Risk Property Insurance which includes \$5 million in the annual aggregate subject to the City's \$100,000 deductible. The cost of purchasing terrorism insurance through the TRIA program is summarized below:

All Risk and Boiler & Machinery Property Insurance	\$154,850
Airport Owners and Operators Liability	\$12,042
Police Aircraft Hull & Liability	<u>\$1,850</u>
<b>Total estimated TRIA Premium</b>	<b>\$168,742</b>

See Appendix A for detailed description on costs associated with TRIA.

- **Excess Workers' Compensation** - Indemnifies the City for Workers' Compensation Claims.

In the spring of 2004, the City's previous insurance broker evaluated the benefits and costs of obtaining Excess Workers' Compensation insurance. The cost of purchasing Workers' Compensation insurance was determined to be prohibitive. At that time, the Human Resources Department, in conjunction with the City's insurance broker, explored several options associated with managing the costs and transferring the risk associated with the City's Workers' Compensation program. These options included:

- Excess Workers' Compensation Coverage
- Guaranteed Cost/First Dollar Workers' Compensation Coverage
- Loss Portfolio Transfer (selling the City's outstanding liabilities associated with Worker's Compensation claims to an insurance company)

In each instance, the cost was determined to be prohibitive. Over the next twelve (12) months, Marsh will continue to explore whether the costs associated with these options have become any more financially viable.

- **General Liability** - Indemnifies the City for third party claims alleging Bodily Injury, Property Damage, and Personal Injury.

The City has historically been self insured for its exposures to third party liability claims, with the exception of the Airport Owners and Operators Liability Insurance program.

The Human Resources Department in conjunction with Marsh is currently exploring the financial feasibility and viability of purchasing insurance for these exposures.

- **Earthquake** – Provides coverage for damage caused by the peril of earthquake or volcanic action. The coverage is limited to direct damage caused by an earthquake.

Earthquake insurance is another type of coverage that has become cost prohibitive. During last year's marketing efforts, we found that the cost for \$5 Million in coverage was in excess of \$500,000 annually. Pricing for earthquake coverage has significantly increased largely due to the recent disastrous hurricane season. The insurance markets that write catastrophic covers (flood, wind, and earthquake) have reduced available capacity along with increasing insurance rates. This pricing level, the minimum deductible of 5% of the values at risk, and the relatively low limits of coverage available, make it uneconomical to purchase coverage citywide.

Appendix B provides a comparison of the allocation of insurance premiums by fund and insurance type between October 2007 renewal and the proposed October 2008 renewal.

**EVALUATION AND FOLLOW-UP**

The City Council will be informed as to the status of these policies as part of the annual renewal process each September or by Supplemental Memorandum if necessary.

**PUBLIC OUTREACH**

Not applicable.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

**CEQA**

Not a project.

**COORDINATION**

This memo has been coordinated with the following departments: Airport, Transportation, Police, Budget, City Attorney's Office, and the Redevelopment Agency.

**BUDGET REFERENCE**

These policies are funded by appropriations in the 2008-2009 Operating Budget

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract *	2008-2009 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	2001	Insurance Premiums and fee	782,000	607,587	Page IX-18	6/24/08, 28349
001	2864	Police Officers Professional Liability Insurance	265,000	204,417	Page IX-15	6/24/08, 28349

001	0502	Non-Personal /Equipment (Police)	22,410,000	55,742	Page VIII-112	6/24/08, 28349
523	0802	Non-Personal /Equipment (Air)	43,788,729	452,385	Page XI-3	6/24/08, 28349
519	0802	Non-Personal /Equipment (Air)	5,259,616	10,944	Page XI-1	6/24/08, 28349
536	3405	Insurance Expenses	200,000	125,464	Page XI-24	6/24/08, 28349
518	0642	Non-Personal /Equipment (Muni Gulf)	60,000	871	Page XI-71	6/24/08, 28349
533	0512	Non-Personal /Equipment (DOT)	7,213,765	59,866	Page XI-38	6/24/08, 28349
513	0762	Non-Personal /Equipment (ESD)	31,804,740	182,420	Page XI-78	6/24/08, 28349

These policies are funded by appropriations in the 2008-2009 Operating Budget.



MARK DANAJ  
Director, Human Resources

If you have questions, please contact John Dam, Deputy Director, at 975-1438.

Attachment

APPENDIX A

1.) ALL RISK AND BOILER & MACHINERY PROPERTY INSURANCE

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	Factory Mutual Insurance Company	Factory Mutual Insurance Company
Total Insurable Values	\$1,914,363,333	2,313,985,647
Limit of Liability	\$1,000,000,000 subject to a \$100,000 deductible per occurrence	\$1,000,000,000 subject to a \$100,000 Deductible Per Occurrence – Option 1 \$250,000 Deductible Per Occurrence – Option 2
Boiler & Machinery	Included	Included
Earthquake	Excluded. Pricing was explored; pricing found to be unfavorable	Excluded. Relatively low limits, 5% deductible, high premium – not recommended
Flood	\$100,000,000 but not to exceed \$25,000,000 or \$50,000,000 Per Scheduled Locations Specified in the insurance policy on file in Risk Management	\$100,000,000 but not to exceed \$25,000,000 or \$50,000,000 Per Scheduled Locations Specified in the insurance policy on file in Risk Management
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 (w/o T.R.I.A) see comments in memo	\$5,000,000 annual aggregate	\$5,000,000 annual aggregate
Average Rate Per \$100 of Values	.0526	.0445 (Rate includes Renewal Membership Credit of 5%)
Annual Premium	\$1,007,000	<b>Option 1 @ \$100,000 Deductible (Expiring)</b> \$1,094,663 Net Annual Premium ____(53,646) FM Global Membership Credit <b>\$1,041,017 Adjusted Net Annual Premium</b> <b>\$ 104,102 plus Broker Fee</b> <b>Option 2 @\$250,000 Optional Deductible</b> \$1,054,763 Net Annual Premium ____(53,646) FM Global Membership Credit <b>\$1,001,117 Adjusted Net Annual Premium</b>
Engineering Services	Included	Included
Multiyear Agreement	Not available	Offers a three year rate guarantee – Refer to "Successive Renewal Agreement" for terms and conditions.
Optional TRIA Premium (not recommended for purchase)	Unk	\$154,850 Additional

**2.) AIRPORT OWNERS AND OPERATORS LIABILITY – ACE USA QUOTE**

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	ACE Property and Casualty Insurance Company (Primary \$50M)  Lloyds of London (\$150M excess of \$50M)	ACE Property and Casualty Insurance Company (Primary \$100M)  Lloyds of London (\$100M excess of \$100M)
Coverage and Deductible	Airport Liability - \$200,000,000 each occurrence combined single limit for bodily injury and property damage, with a \$25,000,000 each occurrence limit for personal injury and \$25,000,000 Excess Automobile and Excess Employers Liability. Deductible: \$100,000 each occurrence, excluding all loss adjusting and litigation defense costs	Airport Liability - \$200,000,000 each occurrence combined single limit for bodily injury and property damage, with a <b>\$50,000,000 each occurrence limit for personal injury and \$50,000,000 Excess Automobile and Excess Employers Liability.</b> Deductible: \$100,000 each occurrence, excluding all loss adjusting and litigation defense costs
<b>Annual Premium</b>	<b>\$237,575</b>	<b>\$120,421 Primary \$100,000,000</b> <b>\$ 42,120 Excess \$100,000,000</b> <b>\$162,541 TOTAL</b>
Surplus Lines Taxes and Fees	\$ 2,653	\$ 1,317
Current War Risk & Extended Perils, Terrorism	<b>Not Purchased (\$166,629)</b>	<b>\$ 12,042 (\$100,000,000 limit)</b>
<b>Total (Including Taxes/Fees)</b>	<b>\$240,228</b>	<b>\$175,900</b>
Optional TRIA premium (not recommended for purchase)	\$45,809	\$12,042

**3.) SECONDARY EMPLOYMENT LAW ENFORCEMENT PROFESSIONAL LIABILITY**

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	Arch Specialty Insurance Company	Indian Harbor Insurance Company
Limits of Insurance and Deductibles	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate Subject to a \$100,000 Deductible Each Claim	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate Subject to a \$100,000 Deductible Each Claim
Average Rate per Officer	\$224 (per 1,029 officers at policy inception)	\$190 (per 1,042 officers at policy inception)
<b>Annual Premium</b>	\$230,625	\$197,980
Surplus Lines Taxes and Fees	-	\$6,187
Fees (if any)	None	\$250
<b>Total Annual Premium</b>	<b>\$230,625</b>	<b>\$204,417</b>

**4.) AUTOMOBILE LIABILITY FOR THE AIRPORT FLEET & AIRPORT SHUTTLE BUS FLEET PHYSICAL DAMAGE**

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	St. Paul/Travelers	St. Paul/Travelers
Coverage and Deductibles	<b>Auto Liability – Fleet Only</b> \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto – No Buses) <b>Physical Damage – Buses Only Per Schedule Subject to</b> \$25,000 Comp/Coll Deductible \$500 Comp/Coll Deductible for Hired Physical Damage	<b>Auto Liability – Fleet Only</b> \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto – No Buses) <b>Physical Damage – Buses Only Per Schedule Subject to</b> \$25,000 Comp/Coll Deductible \$500 Comp/Coll Deductible for Hired Physical Damage
<b>Exposure</b>	Number of Units 131	Number of Units 130
<b>Average Rate Per Unit</b>	<b>\$715</b>	<b>\$694</b>
<b>Annual Premium</b>	<b>\$93,640</b>	<b>\$90,168</b>

**5.) AUTOMOBILE LIABILITY - WATER POLLUTION CONTROL PLANT FLEET**

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	St. Paul/Travelers	St. Paul/Travelers
Coverage	\$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto) \$ 3,500 Property Damage UM	\$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto) \$ 3,500 Property Damage UM
<b>Exposure</b>	Number of Units 108	Number of Units 110
<b>Average Rate Per Unit</b>	<b>\$336</b>	<b>\$399</b>
<b>Annual Premium</b>	<b>\$36,310</b>	<b>\$43,900</b>

**6.) POLICE AIRCRAFT HULL AND LIABILITY**

	<b>Current Program 10/1/2007 – 10/1/2008</b>	<b>Renewal Program 10/1/2008 – 10/1/2009</b>
Carrier	Westchester Fire Insurance Company	Westchester Fire Insurance Company
Coverage	Aircraft Hull and Liability - \$50,000,000 each occurrence for liability. Hull coverage: Cessna \$ 257,000 Eurocopter \$1,750,000 Deductible: Liability – NIL  Hull/Cessna - \$500 per occurrence (in-motion) Hull/Cessna - \$100 per occurrence (not in-motion) Hull/Eurocopter – \$43,750 per occurrence (rotors in-motion) Hull/Eurocopter - \$1,000 per occurrence (rotors not in-motion)	Aircraft Hull and Liability - \$50,000,000 each occurrence for liability. Hull coverage: Cessna \$ 257,000 @ \$2,392 Eurocopter \$1,750,000 @ \$34,000 Total - \$36,392 Deductible: Liability – NIL  Hull/Cessna - \$500 per occurrence (in-motion) Hull/Cessna - \$100 per occurrence (not in-motion) Hull/Eurocopter – \$43,750 per occurrence (rotors in-motion) Hull/Eurocopter - \$1,000 per occurrence (rotors not in-motion)
<b>Annual Premium</b>	<b>\$101,510</b>	<b>\$53,892</b>
Surplus Lines Taxes and Fees	N/A	N/A
Current War & Extended Perils (\$50M Limit)	<b>\$4,711</b>	<b>\$1,850</b>
<b>Total</b>	<b>\$106,221</b>	<b>\$55,742</b>
TRIA Purchased By Itself	Unknown	\$1,850
TRIA (if purchased with War	Unknown	\$2,775

**Insurance Policies with October 1 Renewal Dates**  
**Insurance Premiums and Fee Allocation by Fund & Type Insurance**

	FY 2007-08 Premiums 12 Months	FY 2008-9 Premiums 12 Months	Percentage Increase/ Decrease
General Fund - Fund 001			
Property Insurance	\$739,430	\$607,587	-18%
Police Secondary (1)	\$229,275	\$204,417	-11%
Police Air Support (Hull & Liab.)	\$101,662	\$55,742	-45%
<b>Subtotal</b>	<b>\$1,070,367</b>	<b>\$867,746</b>	<b>-19%</b>
Airport Maintenance & Operation - Fund 523			
Customs	\$2,000	\$2,000	0%
Property Insurance	\$157,396	\$197,261	25%
Liability Insurance	\$232,728	\$175,900	-24%
Auto Liability Insurance - Airport Fleet	\$103,313	\$75,780	-27%
Parking Shuttle	\$3,444	\$3,444	0%
Liability - Fund 519	\$7,500	\$7,500	0%
Shuttle Bus Physical Damage - Fund 519	\$3,444	\$3,444	0%
<b>Subtotal</b>	<b>\$509,825</b>	<b>\$465,329</b>	<b>-9%</b>
Treatment Plant Operating - Fund 513			
Property Insurance	\$190,952	\$138,520	-27%
Auto Insurance	\$58,886	\$43,900	-25%
<b>Subtotal</b>	<b>\$249,838</b>	<b>\$182,420</b>	<b>-27%</b>
Convention and Cultural Affairs - Fund 536			
Property Insurance	\$172,976	\$125,464	-27%
<b>Subtotal</b>	<b>\$172,976</b>	<b>\$125,464</b>	<b>-27%</b>
Municipal Golf Course - Fund 518			
Property Insurance	\$1,218	\$871	-28%
<b>Subtotal</b>	<b>\$1,218</b>	<b>\$871</b>	<b>-28%</b>
General Purpose Parking - Fund 533			
Property Insurance (2)	\$64,716	\$59,866	-7%
<b>Subtotal</b>	<b>\$64,716</b>	<b>\$59,866</b>	<b>-7%</b>
Redevelopment Agency			
Property Insurance (3)	\$10,919	\$15,548	42%
<b>Subtotal</b>	<b>\$10,919</b>	<b>\$15,548</b>	<b>42%</b>
<b>TOTAL (4)</b>	<b>\$2,079,859</b>	<b>\$1,717,244</b>	<b>-17%</b>

**Premiums subject to improve should the insurance market conditions change prior to 10/1/2008**

**Footnotes:**

- (1) Each police officers participating in the secondary employment program pays \$110 towards the premium cost (\$225 per officer) Renewal Premium is based on 1,042 participating officers.
- (2) Includes North Concourse effective 11/1/08.
- (3) Allocated premium for RDA will be invoiced directly to RDA for payment
- (4) The FY 2008-2009 total includes the already paid US Customs Bond in the amount of \$2,000, which was purchased in January 2008.