



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Mark Danaj

SUBJECT: APPROVAL OF CITYWIDE
INSURANCE PLACEMENT

DATE: August 31, 2009

Approved  Date 9/8/09

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approval to purchase certain City and Redevelopment Agency insurance policies (property and liability for the City; property only for the Redevelopment Agency) for the period October 1, 2009 to October 1, 2010 at a cost not to exceed \$2,000,000 by the Director of Human Resources with the following insurance carriers:

- a. Property Insurance including Boiler and Machinery carrier: Factory Mutual Insurance Company or Chartis
- b. Airport Owners and Operators Liability carrier: ACE Property & Casualty Insurance Company or Chartis and Lloyds of London
- c. Secondary Employment Law Enforcement Professional Liability carrier: Indian Harbor Insurance Company or Philadelphia
- d. Automobile Liability (Airport/WPCP only) carrier: Travelers Property Casualty Insurance Company
- e. Police Aircraft Hull and Liability including war carrier: Westchester Fire Insurance Company or Chartis

Coverage	Insurance Carrier(s)
Property including Boiler & Machinery	Factory Mutual Insurance Company or Chartis
Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (Primary and Excess)	ACE Property & Casualty Insurance Company or Chartis and Lloyds of London
Secondary Employment Law Enforcement Professional Liability	Indian Harbor Insurance Company or Philadelphia
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 or Chartis

OUTCOME

Approval of this report results in the ability for the City to purchase 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 coverage's 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 scope of coverage, cost, financial strength to pay claims and resources available to provide services, Human Resources determines the appropriate insurance coverage's for the period of October 1, 2009 until September 30, 2010, as recommended in this memorandum.

BACKGROUND

The City of San José (City) and the Redevelopment Agency of the City of San José (Agency) transfer exposures for catastrophic events via insurance policies when the frequency of events cannot be predicted, the severity of potential losses could seriously hamper the 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 (i.e. Notary Bonds, Airport Customs Bond, Fiduciary Liability, and others). The insurance policies addressed in this memorandum have an annual renewal date of October 1, 2009. The premiums reflected are as of the October 1, 2009 renewal date. Premiums are subject to change during the course of the year based on additions and/or deletions to the policies as completed construction projects are placed on to the citywide property policy and property values are adjusted based on current replacement values. The results for the October 1, 2009 insurance renewal are a reflection of the ever changing insurance marketplace conditions. Generally the insurance marketplace today is nearing the end of a softening phase of the insurance cycle. This will result in the City achieving slightly better terms and conditions as compared to a year ago, with an upturn predicted in insurance costs prior to next renewal a year from now.

ANALYSIS

On an annual basis, the Human Resources Department reviews the City 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.

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 coverage, 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 2% less than the quotes the City and the Redevelopment Agency received last year. This incorporates a 4% increase in City insured property values, loss of a 5% membership credit (one-time only) on last year's property policy and a 2% increase in the number of Police officers in the secondary employment program.

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 coverage's 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 coverage examined for this renewal period are described below in two categories; insurance coverage recommended and insurance coverage's 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 2009-2010 Adopted Operating Budget and no additional funds are needed at this time.

Insurance Coverage's 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 coverage 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 an approximate \$28,000 reduction in overall premium. 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 remained the same for the October 1, 2009, renewal at 0.0445 per \$100; based on a multi-year rate guarantee secured by the City last year.

Insurance Carriers: Factory Mutual Insurance Company or Chartis

- **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. Additionally, program provides coverage for bodily injury or property damage caused by war and other perils.

Insurance Carriers: ACE Property & Casualty Insurance Company and Lloyds of London (or Chartis)

- **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 (or Philadelphia 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 (i.e. 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. Additionally, program provides coverage for bodily injury or property damage caused by war and other perils resulting from aviation operations.

Insurance Carrier: Westchester Fire Insurance Company or Chartis

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

Insurance Coverage's Not Cost Effective

While the insurance coverage's 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 coverage's 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 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 insured's 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	\$150,306
Airport Owners and Operators Liability	\$11,137
Police Aircraft Hull & Liability	\$568
Total estimated TRIA Premium	\$162,011

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 Worker's Compensation insurance was determined to be prohibitive at that time. 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 Worker's 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 have significantly increased largely due to 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 2008 renewal and the proposed October 2009 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/INTEREST

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)**

COORDINATION

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

BUDGET REFERENCE (If applicable)

These policies are funded by appropriations in the 2009-2010 Operating Budget

Fund #	Appn #	Appn. Name	Total Appn.	Est. Amt. for Contract	2009-2010 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	2001	Insurance Premiums and fee	650,000	650,000	Page IX-24	6/23/09, 28593
001	2864	Police Officers Professional Liability Insurance	230,000	230,000	Page IX-20	6/23/09, 28593
001	0502	Non-Personal /Equipment (Police)	21,725081	100,000	Page VIII-212	6/23/09, 28593
523	0802	Non-Personal /Equipment (Air)	44,569,752	550,000	Page VIII-3	6/23/09, 28593
519	0802	Non-Personal /Equipment (Air)	5,085,478	50,000	Page VIII-1	6/23/09, 28593
536	3405	Insurance Expenses	200,000	192,725	Page XI-25	6/23/09, 28593
518	0642	Non-Personal /Equipment (Muni Gulf)	60,000	867	Page XI-71	6/23/09, 28593
533	0512	Non-Personal /Equipment (DOT)	6857851	58,377	Page VIII-254	6/23/09, 28593
513	0762	Non-Personal /Equipment (ESD)	36207625	152,513	Page VIII-64	6/23/09, 28593

CEQA

Not a project.


 MARK DANAJ
 Director, Human Resources Department

For questions please contact John Dam, Deputy Director, at 975-1438.

Attachment

1.) ALL RISK AND BOILER & MACHINERY PROPERTY INSURANCE

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
Carrier	Factory Mutual Insurance Company	Factory Mutual Insurance Company (or Lexington/Chartis)
Total Insurable Values	2,313,985,647	\$2,412,630,097
Limit of Liability	\$1,000,000,000 subject to a \$100,000 Deductible Per Occurrence – Option 1 \$250,000 Deductible Per Occurrence – Option 2	\$1,000,000,000 subject to a \$100,000 Deductible Per Occurrence
Boiler & Machinery	Included	Included
Earthquake	Excluded. Relatively low limits, 5% deductible, high premium – not recommended	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	.0445 (Rate includes Renewal Membership Credit of 5%)	.0445 (account rate per multi-year rate guarantee)
Annual Premium	Option 1 @ \$100,000 Deductible (Expiring) \$1,094,663 Net Annual Premium <u>(53,646) FM Global Membership Credit</u> \$1,041,017 Adjusted Net Annual Premium \$ 104,102 plus Broker Fee	Option 1 @ \$100,000 Deductible (Expiring) \$1,073,620 Net Annual Premium \$ 107,362 plus Broker Fee (10%) Option II @ \$250,000 Deductible (not recommended) \$ 1,045,620 Net annual premium \$ 104,562 Broker Fee (10%)
Engineering Services	Included	Included
Multiyear Agreement	Offers a three year rate guarantee – Refer to "Successive Renewal Agreement" for terms and conditions.	Offers a three year rate guarantee – Refer to "Successive Renewal Agreement" for terms and conditions.
Optional TRIA Premium (not recommended for purchase)	\$154,850 Additional	\$150,306 Additional

2.) AIRPORT OWNERS AND OPERATORS LIABILITY –

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
Carrier	ACE Property and Casualty Insurance Company (Primary \$100M) Lloyds of London (\$100M excess of \$100M)	ACE (primary \$100M) and London (excess \$100M) or Chartis \$200M
Coverage and Deductible	Airport Liability - \$200,000,000 each occurrence combined single limit for bodily injury and property damage, with a \$50,000,000 each occurrence limit for personal injury and \$50,000,000 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 \$50,000,000 each occurrence limit for personal injury and \$50,000,000 Excess Automobile and Excess Employers Liability. Deductible: \$100,000 (ACE/Lloyds) each occurrence or Offense Deductible \$100,000 aggregate deductible or 50,000 (Chartis) each occurrence, excluding all loss adjusting and litigation defense costs
Annual Premium	\$120,421 Primary \$100,000,000 \$ 42,120 Excess \$100,000,000 \$162,541 TOTAL	\$161,463 (ACE/Lloyds) 147,477 Chartis
Surplus Lines Taxes and Fees	\$ 1,317	ACE/Lloyds \$1,290 Chartis N/A – admitted insurer
Current War Risk & Extended Perils, Terrorism	\$ 12,042 (\$100,000,000 limit)	TBD
Total (Including Taxes/Fees)	\$175, 900	\$162,753 ACE/Lloyds or 147477 Chartis
Optional TRIA premium (not recommended for purchase)	\$12,042	\$TBD

3.) SECONDARY EMPLOYMENT LAW ENFORCEMENT PROFESSIONAL LIABILITY

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
Carrier	Indian Harbor 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	\$190 (per 1,042 officers at policy inception)	\$190 (per 1,068 officers at policy inception)
Annual Premium	\$197,980	\$202,920
Surplus Lines Taxes and Fees	\$6,187	\$6,544
Fees (if any)	\$250	\$250
Total Annual Premium	\$204,417	\$209,714

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

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
Carrier	St. Paul/Travelers	St. Paul/Travelers
Coverage and Deductibles	Auto Liability – Fleet Only \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto – No Buses) Physical Damage – Buses Only Per Schedule Subject to \$25,000 Comp/Coll Deductible \$500 Comp/Coll Deductible for Hired Physical Damage	Auto Liability – Fleet Only \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$ 5,000 Medical Payments (Any Auto – No Buses) Physical Damage – Buses Only Per Schedule Subject to \$25,000 Comp/Coll Deductible \$500 Comp/Coll Deductible for Hired Physical Damage
Exposure	Number of Units 130	Number of Units 128
Average Rate Per Unit	\$694	\$638
Annual Premium	\$90,168	\$81,664

5.) AUTOMOBILE LIABILITY - WATER POLLUTION CONTROL PLANT FLEET

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
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
Exposure	Number of Units 110	Number of Units 40
Average Rate Per Unit	\$399	\$367
Annual Premium	\$43,900	\$14,680

6.) POLICE AIRCRAFT HULL AND LIABILITY

	Current Program 10/1/2008 – 10/1/2009	Renewal Program 10/1/2009 – 10/1/2010
Carrier	Westchester Fire Insurance Company	ACE(Westchester Fire Insurance)/Lloyds or Chartis
Coverage	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)	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 ACE/Lloyds or 25,000 Chartis per occurrence (rotors in-motion) Hull/Eurocopter - \$500 per occurrence (rotors not in-motion)
Annual Premium	\$53,892	\$54,997 ACE/Lloyds or \$45,229 Chartis
Surplus Lines Taxes and Fees	N/A	N/A
Current War & Extended Perils (\$50M Limit)	\$1,850	\$2,951 ACE/Lloyds or 1,703 Chartis
Total	\$55,742	\$57,948 ACE/Lloyds or \$46,932 Chartis
TRIA Purchased By Itself	\$1,850	\$1,850 (TBD)
TRIA (if purchased with War	\$2,775	\$734 ACE/Lloyds or \$568 Chartis

Insurance Policies with October 1 Renewal Dates
Premium Allocation of Insurance Premiums by Fund & Type Insurance

	FY 2008-09 Premiums 12 Months	FY 2009-10 Premiums 12 Months	Percentage Increase/ Decrease
General Fund - Fund 001			
Property Insurance	\$607,587	\$625,964	3%
Police Secondary (1)	\$204,417	\$209,714	3%
Police Air Support (Hull & Liab.)	\$55,742	\$57,948	4%
Subtotal	\$867,746	\$893,626	3%
Airport Maintenance & Operation - Fund 523			
Customs	\$2,000	\$ 2,000	0%
Property Insurance	\$197,261	\$ 217,581	10%
Liability Insurance	\$175,900	\$ 162,753	-7%
Auto Liability Insurance - Airport Fleet	\$75,780	\$ 67,276	-11%
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%
Subtotal	\$465,329	\$ 463,998	0%
Treatment Plant Operating - Fund 513			
Property Insurance	\$138,520	\$137,833	0%
Auto Insurance	\$43,900	\$14,680	-67%
Subtotal	\$182,420	\$152,513	-16%
Convention and Cultural Affairs - Fund 536			
Property Insurance	\$125,464	\$124,842	0%
Subtotal	\$125,464	\$124,842	0%
Municipal Golf Course - Fund 518			
Property Insurance	\$871	\$867	0%
Subtotal	\$871	\$867	0%
General Purpose Parking - Fund 533			
Property Insurance (2)	\$59,866	\$58,377	-2%
Subtotal	\$59,866	\$58,377	-2%
Redevelopment Agency			
Property Insurance (3)	\$15,548	\$15,518	0%
Subtotal	\$15,548	\$15,518	0%
TOTAL (4)	\$1,711,072	\$1,709,741	0%

*Premiums subject to improve should the insurance market conditions change prior to 10/1/2009
Final premiums allocation may increase based on final schedule of values (SOV) reported
for buildings, contents and loss of income (business interruption/loss of rents.*

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 1068 participating officers as of this date
- (2) Allocated premium for RDA will be invoiced directly to RDA for payment
- (3) The FY 2009-2010 total includes the already paid US Customs Bond in the amount of \$2,000, which was purchased in January 2009.