



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 31

Agenda Date: August 3, 2023

In Control: City Council A Session

DEPARTMENT: Office of Risk Management

DEPARTMENT HEAD: Debra Ojo

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Renewal of Commercial Property and Equipment Insurance Policy

SUMMARY:

This ordinance ratifies procurement of the City of San Antonio's Commercial Property and Equipment Insurance policy allowing the City Manager or his designee to procure premiums for a one-year policy period effective July 1, 2023 through June 30, 2024 to Alliant Property Insurance Program (APIP). The total cost of the premium is \$9,147,596.07. Policy recommendation offers policy terms, limits, and conditions based on current market trends.

BACKGROUND INFORMATION:

The City's Commercial Property and Equipment Insurance policy renews annually in July. Due to the size of the City's account and incurred losses, there are only a few competitive markets which have the capacity to underwrite the policy. The market survey usually takes 90 days, with quotes coming in within two weeks of placement.

In May 2023, the Office of Risk Management (ORM), in cooperation with the City's Broker of Record, SOGO Wealth and Risk Management/USI Southwest, Inc. (SOGO/USI), began the application process by gathering the information necessary to support an effective and timely

renewal, as well as began market surveys.

In June 2023, SOGO/USI provided ORM with market quotes, policy analysis and recommendations for consideration. SOGO/USI approached a unique public entity property solution which consists of 25 A-rated carriers and 16 additional A-rated carriers. One (1) quote was received.

The recommended policy in the amount of \$9,147,596.07 will be effective July 1, 2023 through June 30, 2024.

ISSUE:

This ordinance requests City Council ratify and approve an amount up to \$9,147,596.07 for the recommended premium to uphold the policy of providing insurance protection for the City's assets and protection from losses such as fire, theft, flood, and catastrophic weather events.

ALTERNATIVES:

Should this contract not be approved, insurance coverage for the City's property and protection from potential liabilities will have expired June 30, 2023. After this date, damages or losses due to fire, theft, water, and catastrophic weather events would be entirely at the City's expense, until such time that new insurance coverage could be obtained.

FISCAL IMPACT:

This ordinance ratifies the procurement of the Commercial Property and Equipment Insurance policy for a one-year policy period effective July 1, 2023 through June 30, 2024 with Alliant Property Insurance Program (APIP).

The total contract value is \$9,147,596.07, of which funding in the amount of \$2,286,899.02 is available in the Liability Insurance Fund FY 2023 Adopted Budget and \$6,860,697.05 is contingent upon approval of the Liability Insurance Fund FY 2024 Adopted Budget.

RECOMMENDATION:

Staff recommends approval of this ordinance for the Commercial Property and Equipment Insurance policy.

