



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 53

Agenda Date: September 21, 2023

In Control: City Council A Session

DEPARTMENT: Office of Risk Management

DEPARTMENT HEAD: Debra Ojo

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Renewal of Commercial Insurance Policies

SUMMARY:

This ordinance authorizes the City Manager or his designee to procure premiums for the City of San Antonio's commercial insurance policies identified below for a one-year policy period, effective October 1, 2023 through September 30, 2024. The estimated cost for this approval is \$1,685,349.00. Each policy recommendation offers policy terms, limits, and conditions comparable to expiring policies with premiums based on current market trends.

The policies, their coverage, and premiums are:

- Aircraft Hull and Liability covers SAPD helicopters and special equipment
 - Old Republic Insurance Company - \$224,263.00
- Airport Owners and Operators Liability offers protection against third-party claims on airport grounds
 - Old Republic Insurance Company - \$95,855.00
- Cyber Liability Insurance offers protection against cybercrimes
 - Arch Specialty Insurance Company - \$524,625.00
- Excess Workers' Compensation (Stop Loss)
 - Chubb Insurance Company - \$615,711.00

- Inland Marine covers the City's equipment such as mobile command units, communication trailers, etc.
 - Foray Houston Casualty - \$91,277.00
- Property & Equipment Breakdown offers protection for acquired vacant buildings
 - Landmark American Insurance - \$133,618.00

BACKGROUND INFORMATION:

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

In September 2023, SOGO/USI provided ORM with market quotes, policy analysis and recommendations for consideration. A total of 30 markets were approached and 9 quotes were received. The recommended policies will be effective October 1, 2023 and will continue providing insurance protection for City assets and protection against catastrophic work-related injuries and cybercrime through September 30, 2024.

ISSUE:

Approval of payment to Old Republic Insurance Company, Arch Specialty Insurance Company, Chubb Insurance Company, Foray Houston Casualty and Landmark American Insurance for the recommended premiums would continue the City Council's policy of providing insurance protection for the City's assets and protection against catastrophic work-related injuries and cybercrime.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

The contract is an exception to the Local Preference Program. The Veteran-Owned Small Business Program does not apply to non-professional service contracts; therefore, no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, insurance coverage for the City's property and protection from potential liabilities associated with this recommendation will expire September 30, 2023. After this date, losses due to City assets, catastrophic work-related injuries, as well as data breaches and cybercrime would be entirely at the City's expense, until such time that new insurance coverage could be obtained.

FISCAL IMPACT:

This ordinance approves the purchase of Commercial Insurance policies for Aircraft Hull and Liability; Airport Owners and Operators Liability; Cyber Liability Insurance, Excess Workers' Compensation; Inland Marine; and Property & Equipment Breakdown with total compensation not to exceed \$1,685,349.00.

Funding in the amount of \$615,711.00 is available from the Workers' Compensation Fund; \$958,295.00 is available from the Liability Fund; and \$111,343.00 is available from the Facility Services, in the FY 2024 Adopted Budget.

RECOMMENDATION:

Staff recommends approval.