



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 18

Agenda Date: August 4, 2022

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 insurance procurement for the City of San Antonio's Commercial Property and Equipment Insurance policy allowing the City Manager or his designee to procure premiums for the City of San Antonio's commercial property and equipment insurance policy for a one-year policy period effective July 1, 2022 thru June 30, 2023 to Alliant Property Insurance Program (APIP). The estimated cost for this approval is \$6,500,000. Policy recommendation offers policy terms, limits, and conditions based on current market trends.

BACKGROUND INFORMATION:

May 2022, 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.

June 2022, SOGO/USI provided ORM with market quotes, policy analysis and recommendations for consideration. A total of eighteen (18) markets were approached and one (1) quote was

received. The recommended policy will be effective July 1, 2022 and will continue providing insurance protection for City assets and loss of income through June 30, 2023.

ISSUE:

Approval of payment \$6,500,000 for the recommended premium would continue the Council's 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, 2022. After this date, damage, 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 authorizes the purchase of a Commercial Insurance policy for Property and Equipment Liability for a one-year policy period effective July 1, 2022 through June 30, 2023 to Alliant Property Insurance Program (APIP). The total contract is for \$6,500,000 of which funding in the amount of \$1,625,000 is available in the FY 2022 Liability Insurance Fund budget and \$4,875,000 is contingent upon approval of the FY 2023 Liability Insurance Fund budget.

RECOMMENDATION:

Staff recommends approval of this ordinance for the commercial property and equipment insurance policy for the period of July 1, 2022, to June 30, 2023, at a cost of \$1,625,000 in FY 2022 and a cost of \$4,875,000 in FY 2023 (contingent upon approval of the FY 2023 Budget).