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CITY OF SACRAMENTO

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DEPARTMENT OF  
FINANCE  
  
RISK MANAGEMENT &  
INSURANCE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA  
**APPROVED**  
BY THE CITY COUNCIL  
June 27, 1989  
RM:89044MM:WUA  
JUN 27 1989

CITY HALL  
ROOM 14  
915 I STREET  
SACRAMENTO, CA  
95814-2685

916-449-5556

OFFICE OF THE  
CITY CLERK

WILLIAM REDMOND  
MANAGER

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: RENEWAL OF CITY'S ALL RISK PROPERTY AND FLEET MOBILE EQUIPMENT  
INSURANCE COVERAGES

SUMMARY

This report requests that the City Council authorize the renewal of the City's current all risk property insurance and fleet mobile equipment insurance coverages provided by Arkwright Insurance Company from July 1, 1989, present expiration date to July 1, 1990.

BACKGROUND

On July 5, 1988, Council authorized placement of the second year of a three year policy for the City's all risk insurance coverage with Arkwright Insurance Company. The premium for the second year was \$273,593.

Although the City has increased their property values at risk by over 10% in the last year, Arkwright has agreed to renew the existing coverage at the same premium of \$273,593.27 without any increase in premium.

On November 15, 1988, the City Council approved the cancelling of the City's fleet mobile equipment coverage with Home Insurance Company and replaced the coverage with Arkwright Insurance Company.

The reason for the change was the better coverage offered by Arkwright Insurance Company and a 15% reduction from (\$.38/\$100 value to \$.322/\$100 value) in premium cost for the subject fleet coverage. Arkwright has offered to renew the fleet coverage at the same annual premium of \$54,740 for the 1989-90 fiscal year.

It should be noted that with the renewal of the mobile insurance policy, fleet coverage will be changed from actual cash value to repair or replacement coverage. This is a significant improvement in coverage for the City at no increase in premium.

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City Council

June 27, 1989


FINANCIAL

Funding to pay the \$273,593 premium for the all risk property insurance and \$54,740 premium for the fleet coverage is available in the proposed 1989-90 Risk Management Budget.


RECOMMENDATION

It is recommended that the Council adopt the attached resolution authorizing and directing the City Manager to renew the City's all risk insurance and fleet mobile insurance coverages with Arkwright Insurance company from it's present expiration date of July 1, 1989 to July 1, 1990.

Respectfully submitted,

  
William Redmond  
Risk Manager

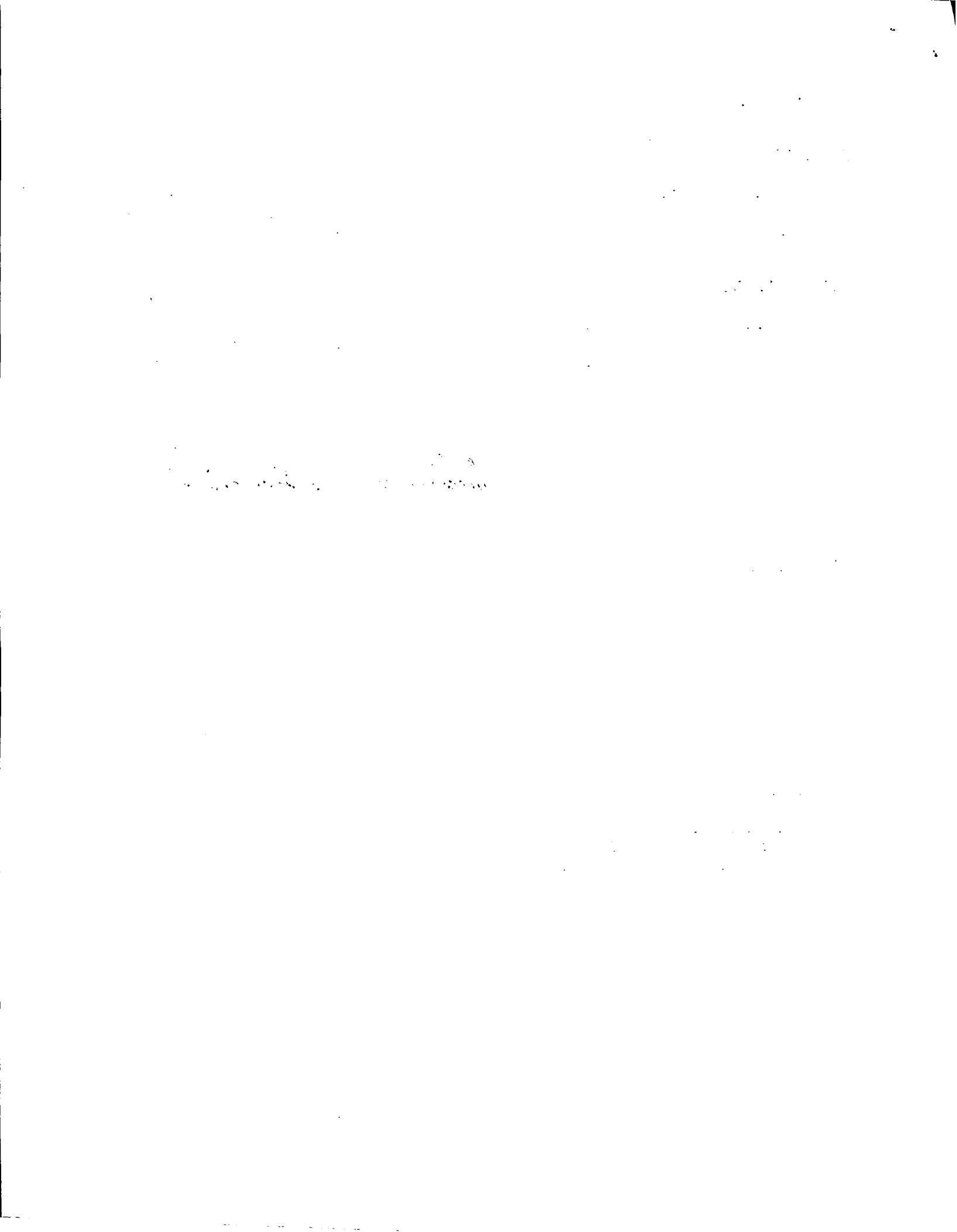
RECOMMENDATION APPROVED:

  
Walter J. Slife  
City Manager

June 27, 1989  
All Districts

Attachment

cc: Risk Management Committee  
Warren, McVeigh & Griffin  
Arkwright Insurance Company



# RESOLUTION NO. 89-513

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVED**  
BY THE CITY COUNCIL

**JUN 27 1989**

**RESOLUTION AUTHORIZING THE RENEWAL OF THE  
CITY'S ALL RISK PROPERTY INSURANCE  
AND FLEET MOBILE EQUIPMENT POLICIES  
WITH ARKWRIGHT INSURANCE COMPANY**

OFFICE OF THE  
CITY CLERK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to renew the Fleet Mobile Equipment Insurance Coverage with the Arkwright Insurance Company, based on the following terms and conditions;
  - a. The period July 1, 1989 to July 1, 1990.
  - b. Deductible of \$25,000 per occurrence at an annual premium rate of \$.322/\$100 value or \$54,740 based on estimated fleet value of \$17,000,000.
2. That the City Manager is hereby authorized and directed to renew the City's all risk property insurance coverage from July 1, 1989 to July 1, 1990, with the Arkwright Insurance Company. at an annual premium of \$273,301.83.
3. That the Department of Finance is authorized to pay \$54,740 premium for fleet coverage from the Risk Management Insurance Program Budget 4-21-110-1152-0000-4294.
4. That the premium is \$273,301.83 for the subject property insurance and will be expensed from the line item number 4-21-110-1152-0000-4292.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_