COUNCIL AGENDA: 9/22/26
FILE: 26-967
ITEM: 2.8

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: **Approval of Citywide Insurance Renewals**

DATE: August 26, 2026

Approved

Date: 9/10/26

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the Director of Finance or her designee to:

(a) Select and purchase City property, liability, and executive risk insurance policies for the period of October 1, 2026, to October 1, 2027, at a total cost not-to-exceed $3,851,011 as well as an 18% contingency for additional property or assets scheduled, subject to the appropriation of funds, with the following insurance carriers:
   (1) Factory Mutual Insurance Company for Property Insurance, including Boiler and Machinery and Terrorism Risk Insurance Act Coverage;
   (2) Beazley Excess and Surplus Lines Insurance, Inc for Terrorism Insurance;
   (3) The Princeton Excess and Surplus Lines Insurance Company, Ironshore Specialty Insurance Company, and Arch Specialty Insurance Company for $15 million in Excess Flood Insurance on a 50/50 quota share basis;
   (4) Gemini Insurance Company for Auto Liability Insurance for the vehicle fleets at the San José Mineta International Airport and San José – Santa Clara Regional Wastewater Facility;
   (5) Hanover Insurance Company for Auto Physical Damage for the Airport shuttle buses;
   (6) Lexington Insurance Company for Secondary Employment Law Enforcement Professional Liability;
   (7) Arch Insurance Company for Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit; and
   (8) Great American Insurance Company for Government Fidelity/Crime Coverage.

(b) Select and purchase Additional Liability Insurance for the period October 22, 2026, to October 22, 2027, at a cost ranging from $500,000 to $1,100,000, subject to the appropriation of funds.

SUMMARY AND OUTCOME

Markets remain broadly soft and competitive, supported by strong insurer performance and a favorable 1/1 treaty renewal season. Beneath the surface, conditions vary significantly. Placement results are increasingly determined by the nature of the risk, the industry involved, and geographic exposure. The Middle East conflict is already affecting multiple lines, including marine, aviation, cyber, political violence, trade credit, property and financial lines.[1]

Despite the City of San José's (City) exposure to natural catastrophe events (i.e., flood) and loss history, the City took advantage of the soft and competitive insurance marketplace conditions and renewed its insurance programs with relatively nominal changes in the renewal pricing and terms for its property and casualty insurance programs. Appendix reflects the best value coverage and insurance carriers presented for Fiscal Year (FY) 2026-2027.

Approval of this recommendation will ensure the City maintains appropriate insurance coverage to provide financial protection from certain types of catastrophic or financial loss.

BACKGROUND

Each year, the City purchases insurance to protect the City against a catastrophic event or specified perils. The City is self-insured for workers' compensation, general liability, and auto liability with limited exceptions described in this memorandum. The decision on whether or not to purchase insurance is based on many factors including, but not limited to, when the frequency of events cannot be predicted, when the severity of potential loss can seriously hamper operations, and when the cost of the insurance policy is not prohibitive.

To secure policies, the Finance Department (Department) reviews the City's insurance coverage and needs with the City's insurance broker, Alliant Insurance Services (Alliant). The review includes analyzing the City's risk exposures, trends in the insurance markets, insurance product line availability, and the City's historical philosophy of insuring losses. Alliant presents the City's risk portfolio to insurance carriers to obtain the best value insurance coverage, solicits competitive quotations from major insurance companies for all recommended insurance product lines where applicable, and presents the results to the Department for consideration.

Staff compares and evaluates the quotes based on scope of coverage, cost, the insurer's financial strength and reputation for claims payment, and the insurer's availability of resources to provide services such as property appraisals, safety training,

[1] Q1 2026: Global Insurance Market Overview

and loss prevention engineering services. Based on the information and analysis, the Department determines the appropriate insurance coverage and recommends the most advantageous insurance policies to the City Council.

ANALYSIS

The Department completed the annual insurance renewal process for FY 2026-2027 with Alliant and recommends the insurance coverage described below.

A. Insurance Coverage Recommended

1. All Risks Property including Boiler and Machinery Insurance

All Risks property insurance provides coverage for City-owned and leased real and personal property, including buildings, contents, business interruption, boiler and machinery, electronic data processing equipment, fine arts, loss of rents, expediting costs, off-premises services interruption, unnamed locations, transit, animals, accounts receivable, valuable papers, data, rebuild with green upgrades, and other coverage as detailed in the policy forms subject to sub-limits as defined in the policy. The City's schedule of insured locations includes one property (the Billy DeFrank Community Center) currently owned by the Successor Agency to the Redevelopment Agency (SARA).

The commercial property insurance market remains in transition in 2026, with the likelihood of an ongoing, strongly competitive environment through the end of the year and beyond. The current competitive picture is in part fueled by lower-than-anticipated global natural catastrophe losses in 2025 – $107 billion actual versus an estimate of greater than $140 billion at the beginning of the year. Due to 2025 hurricane season generating fewer than predicted landfalls in densely populated commercial areas, capital available in traditional reinsurance and alternative markets means competitors will likely continue to pursue aggressive goals prioritizing growth over long-term risk improvement and profitability.[2]

With escalating loss severity and frequency, insurer caution has increased and their underwriting has become more granular. This increased scrutiny means carriers are prioritizing accurate property valuations to ensure coverage limits reflect today's rebuilding costs.[3] To address the valuation of assets issue, the City conducted six property appraisals to update the replacement cost values of ~4.29% of the City's insurable values for buildings and contents. All six property appraisals focused on valuation of locations within the City's thirty largest insured locations as measured by insurable values, including Happy Hollow Park & Zoo,

[2] Zurichna Accurate property values are vital in a changing climate
[3] From premiums to policies: Understanding commercial property insurance trends in 2026

Kelly Park Complex,[4] Tech Interactive Museum, two City Garages,[5] and the San Jose Family Camp.[6] Additionally, staff applied a 2.1% inflation factor to existing buildings not subject to a property appraisal based on the Factory Mutual Insurance Company (FM) USA and Canada Cost Trends Pacific Coast - Updated January, 2026. Overall, the City's insurable values increased by 3.62% relative to the insurable values reported for the expiring policy.

Incumbent property insurer FM has provided a proposal for the renewal term. The property insurance limit quoted by FM is $1.0 billion each occurrence with a $500,000 minimum deductible per occurrence. The FM proposal for flood coverage includes annual aggregate limits of $10 million with a $500,000 per location deductible, with certain exceptions. Coverage terms and conditions are consistent with the current program.

The FM proposal contemplates an offset by a one-time Membership Credit in the amount of $557,419 and a one-time Resilience Credit in the amount of $371,613. In April 2026, FM announced approximately $1.5 billion in Membership Credits to eligible policyholders who renewed their property insurance policies between June 30, 2026 and June 29, 2027. The Membership Credit provided to eligible policyholders is based on their expiring premium and tenure with FM and applied as an offset against premium at a renewal or anniversary date.[7] The Membership Credit is in addition to the $800 million Resilience Credit announced by FM in November 2025, which will be applied as a 5% premium offset against eligible FM policies with renewals or anniversaries between January 1, 2025, and December 31, 2026.[8]

<u>Insurance Carrier</u>: Factory Mutual Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)[9]	$3,473,444	$3,510,125
Membership Credit[10]	($557,419)	($339,209)
Resilience Credit	($371,613)	($169,604)
Other Credit	$0	$0
Broker Fees[11]	$67,651	$66,999
Total Annual Costs	**$2,612,063**	**$3,068,311**

[4] Location includes Historical Museum and Park, Leininger Center, Japanese Friendship Garden, and Ranger Station
[5] Location includes City Hall Employee Garage and Market Street Garage
[6] Location owned near Yosemite Park
[7] FM Announces Enhanced US$1.5 Billion Membership Credit for Client-Owners
[8] FM Announces US $825 Million 'Resilience Credit' to Support Client Investment in Climate Resilience
[9] Net refers to gross premiums less broker commissions as broker compensation is provided through a fee agreement between the City and Alliant.
[10] The 2025-2026 Membership Credit on the FM Global proposal is based on 15% of the eligible in-force premium.
[11] Broker fees include fees allocated for TRIA, Stand-alone Terrorism and Excess Flood coverages.

The City will continue conducting property appraisals to update the replacement cost valuations of the City's property portfolio and will target the City's libraries and community centers based on Total Insured Values in FY 2026-2027. In addition to the insurance products procured last year, the City utilized risk engineering services to evaluate six City-owned properties over the last 12 months. Risk engineering services help to identify common risks resulting in damage or destruction of property such as fire, flood, or other operational risks, and are geared toward finding solutions aimed to reduce property loss or disruption of use.

2. **Terrorism Risk Insurance Act of 2002 (TRIA) and Terrorism Insurance**

TRIA coverage provides an insurance mechanism, shared by private insurance carriers and the federal government, for losses arising from acts of terrorism as certified by the United States Secretary of the Treasury, in consultation with the Secretary of Homeland Security and Attorney General, and defined by the TRIA. It does not cover liability losses. TRIA has been extended and is set to expire on December 31, 2027. Coverage is currently provided through a federal program for 85% of total aggregate loss up to $100 billion in aggregate losses with total losses being no less than $5 million. FM has provided a quote for TRIA coverage for an incremental premium of $207,224, a $1,222 or 0.59% increase over the expiring premium. FM participates in a pooled reinsurance program for TRIA and the rate increase reflects the increase in the cost of reinsurance superimposed on the increase in insurable values.

Insurance Carrier: Factory Mutual Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$207,224	$206,002

The City began purchasing stand-alone terrorism insurance in 2019. Stand-alone terrorism insurance provides a broader definition of terrorism than TRIA and includes third party liability coverage. Staff recommends continuation of a combined property and liability terrorism policy. Incumbent insurer Beazley Excess and Surplus Lines Insurance, Inc., provided a renewal quote for $10 million in aggregate limits for premium and fees of $29,876, no changes to the expiring policy.

Insurance Carrier: Beazley Excess and Surplus Lines Insurance, Inc.

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$28,955	$28,955
Surplus Lines Tax and Fees	$921	$921
Total Annual Costs	**$29,876**	**$29,876**

3. Excess Flood

To mitigate the impact of reduction to the base flood coverage from $25 million to $10 million from the 2019 renewal,[12] the City obtained an excess policy that provides $15 million in limits excess of the primary property policy on a 50/50 quota share basis, where the City and excess insurers share the financing of losses on a 50/50 basis. Similar to the property insurance market, with a decrease in global losses, the excess flood insurance market has softened allowing our broker to negotiate a decrease in annual premiums, Insurers, The Princeton Excess and Surplus Lines Insurance Company, Ironshore Specialty Insurance Company, and Starastone Specialty Insurance Company have provided renewal quotes for Excess Flood coverage with premiums and fees decreasing by $48,667 or 15.19% relative to the expiring program.

Insurance Carriers: The Princeton Excess and Surplus Lines Insurance Company, Ironshore Specialty Insurance Company, and Starstone Specialty Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$263,333	$310,500
Surplus Lines Tax	$8,374	$9,874
Total Annual Premiums	**$271,707**	**$320,374**

4. Automobile Liability for Airport Fleet and Shuttle Bus Fleet Physical Damage

Automobile liability insurance provides coverage for bodily injury, property damage, and personal injury for claims arising out of Airport vehicle operations. Airport Shuttle Bus Physical Damage insurance provides comprehensive physical damage (i.e., collision, fire, theft, vandalism, malicious mischief) coverage for the owned and leased airport shuttle buses, including four high-value zero emissions shuttle buses purchased from Gillig in 2026.[13]

The City purchases automobile liability and automobile physical damage insurance as a stand-alone insurance product line and there is a limited commercial insurance marketplace for stand-alone auto liability as most insurers provide automobile liability in conjunction with commercial general liability or workers' compensation. Commercial auto rates continued their upward climb, with most of the market experiencing double-digit increases.[14] Rating agency A.M. Best & Co. has a negative outlook for the commercial automobile product

[12] Approval of Citywide Insurance Renewals City Council Memorandum 9-5-19
[13] Each new bus costs approximately $1,000,000.
[14] Hub International Q1 2026 Rate Report

line and estimated that the commercial automobile liability product line turned in a combined ratio of 103.5 in calendar year 2025.[15] While still negative, this is slight improvement from prior year's combined ratio of 108.5.

The City has received competitive quotes from the incumbent auto liability and auto physical damage insurers Gemini Insurance Company and Hanover Insurance Company with terms and conditions consistent with the expiring programs. Based on the renewal quotes, the Airport's total annual costs will increase by $81,044 or 29.2% relative to the expiring programs.

Insurance Carrier: Gemini Insurance Company (Auto Liability)

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$244,879	$208,299
Surplus Lines Tax	$7,787	$7,049
Total Annual Premiums	**$252,667**	**$215,348**
Broker Fees	$3,894	$3,783
Total Annual Costs	**$256,561**	**$219,131**

Insurance Carrier: Hanover Insurance Company (Auto Physical Damage)

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$97,519	$55,333
TRIA Coverage	$3,170	$1,790
Total Annual Premiums	**$100,689**	**$57,123**
Broker Fees	$1,033	$985
Total Annual Costs	**$101,722**	**$58,108**

Total Annual Costs for Airport Auto Liability and Auto Physical Damage	**$358,283**	**$277,239**

5. **Automobile Liability for Regional Wastewater Facility Fleet**

Automobile liability provides coverage for bodily injury, property damage, and personal injury for claims arising out of Regional Wastewater Facility vehicle fleet. The City has received a competitive quote from the incumbent auto liability insurer Gemini Insurance Company with terms and conditions consistent with the

[15] Premium Slowdown, Inflation Factors to Lead to Higher P/C Combined Ratio: AM Best

expiring programs. Based on the renewal quote, Regional Wastewater Facility total premiums and taxes will decrease by $11,287 or 6.01% over the expiring program.

Insurance Carrier: Gemini Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$171,121	$181,701
Surplus Lines Tax	$5,442	$6,148
Total Annual Premiums and Taxes	**$176,562**	**$187,849**
Broker Fees	$3,397	$3,300
Total Annual Costs	**$179,959**	**$191,149**

6. Life/Accidental Death and Dismemberment Policy for Police Air Support Unit

The Life/Accidental Death and Dismemberment program provides an accidental death, accidental dismemberment, and paralysis benefit of $250,000 per person for accident or injury of any member of the Police Air Support Unit as defined in Section 5.7.8 of the San José Police Officer's Association Memorandum of Agreement,[16] subject to an aggregate limit of $1,250,000 per accident. The City added this insurance product line to its portfolio in 2016.

In 2025, the City placed the Life/Accidental Death and Dismemberment policy with Arch Insurance Company with a three-year rate guarantee that expires on October 1, 2028. Alliant received a renewal quote from Arch Insurance Company (Arch). Arch's renewal quote provided pricing and terms and conditions, including a three-year rate guarantee, consistent with the expiring program at a premium of $6,843 per year, no changes relative to the expiring policy.

Insurance Carrier: Arch Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)[17]	$6,843	$6,843
Broker Fees	$124	$127
Total Annual Costs	**$6,967**	**$6,970**

[16] Memorandum of Agreement between the City of San José and San José Police Officers' Association (July 1, 2025 – September 30, 2028)

[17] The recommended policy contains a rate guarantee through September 30, 2028, with an annual installment premium, and the policy is subject to termination based on annual appropriation of funds and the City having the ongoing obligation to procure coverage per Section 5.7.8 of the San José Police Officer's Association Memorandum of Agreement.

7. Secondary Employment Law Enforcement Professional Liability

The Secondary Employment Law Enforcement Professional Liability program provides coverage for an actual or alleged error or omission, negligent act, or breach of duty that results in bodily injury, property damage, or personal injury by City police officers who have been approved to participate in the Secondary Employment program (Participating Officers) while conducting law enforcement activities on behalf of approved third-party secondary employers. The incumbent carrier is Lexington Insurance Company, an insurance operating subsidiary of the American International Group better known as AIG.

The Law Enforcement Liability persists in underwriting concerns due to civil unrest, body camera implications, jail and detention exposures, staffing pressures, and allegations involving use of force, pursuit, or failure to supervise.[18] Alliant secured a renewal quote from Lexington Insurance Company, that reflects a 16.18% or $21,724 increase in annual premiums and taxes relative to the expiring program. Coverage terms and conditions are consistent with the expiring policy. Despite the cost increase relative to the expiring program, Alliant advises the renewal program presents a good result for the City as the annual rate per law enforcement employee dropped by 4%.

The projected number of Participating Officers increased by 20.90% from 622 to 752 officers. The City's renewal rate is $210.68 per Participating Officer,[19] who contribute $200 per year to obtain coverage.[20]

Insurance Carrier: Lexington Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$151,193	$130,139
Surplus Lines Tax	$4,808	$4,138
Total Annual Premiums	**$156,001**	**$134,277**
Broker Fees	$2,428	$2,168
Total Annual Costs	**$158,429**	**$136,445**

Estimated Officer Contribution: $150,400
Estimated City Contribution: $8,029

[18] Alliant Insurance Services 2026 Insurance Marketplace Insights & Observations Mid-Year Report
[19] Participating Officers include Sworn Officers and Reserve Officers
[20] As part of the City's negotiations with the Police Officers' Association (POA), the POA accepted City Proposal #20 which increases the Participating Officer contribution rate from $110 per year to $200 per year.

8. Government Crime Insurance

Government Crime insurance provides coverage to the City for financial losses arising from employee theft, forgery or alteration, robbery or safe burglary, computer fraud, funds transfer fraud, or money orders and counterfeit money fraud. Section 905 (Official Bonds) of the City Charter provides that all officers and employees having custody or control of public funds are required to be bonded. The City Council authorized the purchase of Government Crime Insurance as meeting the Official Bonds requirement via Resolution No. 80683 adopted by the City Council on September 20, 2022,[21] as a Government Crime policy affords equal or greater scope of coverage than a bond and has the added benefit of not having to continually remove and add employees as will be required by a bond.

For the second year in a row, the City obtained a renewal quote from incumbent carrier Great American Insurance Company at a premium consistent with the expiring program. Coverage terms and conditions are consistent with the expiring policy.

Insurance Carrier: Great American Insurance Company

Policy Period	**2026-2027**	**2025-2026**
Annual Premium (Net)	$24,778	$24,778
Broker Fees	$448	$441
Total Annual Costs	**$25,226**	**$25,219**

B. Insurance Coverage Not Recommended

The insurance coverage listed below was reviewed by staff with the assistance of Alliant. The market conditions remain consistent with last year's renewal decisions. Staff does not recommend purchasing additional coverage now. The recommendation is based on multiple factors including but not limited to the products being cost prohibitive, the scope of coverage being too narrow considering the City's risk exposure, or the coverage was unavailable, limits too low, or excessive in cost due to the nature of the risk. Staff, in consultation with Alliant, will continue to review the market on an annual basis and make the appropriate recommendations to City Council should circumstances change.

1. Earthquake

Earthquake coverage is provided through a separate insurance product line. Coverage is limited to direct damages caused by earth movement, which is excluded on the All Risks property coverage policy. Coverage for damage from

[21] City Council Meeting Minutes for September 20, 2022

sprinkler leakage caused by an earthquake, and damage resulting from fire following an earthquake is covered by the All Risks property policy. In previous years, staff has inquired into the total cost of earthquake insurance for the entire property schedule and found coverage to be cost prohibitive.

Alliant confirmed rates have not improved for FY 2026-2027 and estimated that a $100 million earthquake limit will cost approximately $8.0 million and be subject to a minimum deductible of five percent of the values at risk.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

FISCAL IMPACTS

The recommended estimated costs for these various insurance premiums are funded by the Insurance Premiums appropriation and the Police Officers' Professional Liability Insurance appropriation in the General Fund; the Airport Department Non-Personal/Equipment appropriation in the Airport Maintenance and Operation Fund; the Environmental Services Department Non-Personal/Equipment appropriation in the San Jose-Santa Clara Treatment Plant Operating Fund; the Insurance Expenses appropriation in the Convention and Cultural Affairs Fund; the Department of Transportation Non-Personal/Equipment appropriation in the General Purpose Parking Fund; the Asset Management Services appropriation in the Low and Moderate Income Housing Asset Fund; the Environmental Services Department Non-Personal/Equipment appropriation in the Water Utility Fund; the Environmental Services Department Non-Personal/Equipment appropriation in the Integrated Waste Management Fund; and the Energy Department Non-Personal/Equipment appropriation in the San José Clean Energy. The Secondary Employment Law Enforcement Professional Liability estimated insurance costs may exceed the funding available in the Police Officers' Professional Liability Insurance appropriation in the General Fund. Staff is evaluating the full cost and will bring forward any necessary actions to offset with possible savings from another appropriation(s) as part of a future budget process. In addition, recommended actions include authorization of an additional 18% contingency to schedule additional property or assets as required, subject to the appropriation of funds

BUDGET REFERENCE

The table below details the funds and appropriations recommended to fund the insurance premiums identified. In addition, costs associated to insure the remaining SARA asset is estimated to be $658 in FY 2026-2027. The anticipated payment of these costs associated with asset management for the SARA property is reflected on line 85 of the Recognized Obligation Payment Schedule as an enforceable obligation to maintain and protect the assets of the SARA allowed under the dissolution law.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Recommended Amount for Premium and Broker Fees *	2026-2027 Proposed Operating Budget Page **	Last Budget Action (Date, Ord. No.)
001	2001	Insurance Premiums	$2,984,000	$2,223,844	827	6/16/2026 31336
001	2864	Police Officers' Professional Liability Insurance ***	$148,820	$158,429	827	6/16/2026 31336
523	0802	Airport Department Non-Personal/Equipment	$58,680,539	$1,174,517	854	6/16/2026 31336
513	0762	Environmental Services Department Non-Personal/Equipment	$67,768,298	$626,686	953	6/16/2026 31336
536	3405	Insurance Expenses	$450,000	$378,890	885	6/16/2026 31336
533	0512	Department of Transportation Non-Personal/Equipment	$7,987,153	$114,796	902	6/16/2026 31336
346	0109	Asset Management Services	$1,600,000	$39,065	916	6/16/2026 31336
515	0762	Environmental Services Department Non-Personal/Equipment	$56,871,619	$16,736	967	6/16/2026 31336
423	0762	Environmental Services Department Non-Personal/Equipment	$4,588,062	$8,421	914	6/16/2026 31336
501	0782	Energy Department Non-Personal/Equipment	$19,416,112	$207	949	6/16/2026 31336

* *The amount for premium is subject to change until the beginning date of the new insurance policy. SARA is billed separately for its share of broker fees and premium costs.*
** *The 2026-2027 Proposed Operating Budget was approved on June 9, 2026, and adopted on June 16, 2026 by the City Council.*
*** *Staff is evaluating the full costs and will bring forward any necessary actions for the appropriation with offsets of possible savings from another appropriation(s) in a future budget process.*

COORDINATION

This memorandum has been coordinated with the Airport Department, City Attorney's Office, City Manager's Budget Office, City Manager's Office of Economic Development and Cultural Affairs, Energy Department, Environmental Services Department, Housing Department, Police Department, and the Transportation Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the September 22, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

The insurance renewals for the San José-Santa Clara Regional Wastewater Facility was heard at the September 10, 2026, Treatment Plant Advisory Committee meeting. A supplemental memorandum with the Treatment Plant Advisory Committee's recommendation will be included in the September 22, 2026 City Council meeting agenda.

CEQA

Not a Project, Public Project File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

Maria Öberg
Maria Öberg
Director of Finance

For questions, please contact Hank Ford, Risk Manager, Finance Department, at Hank.Ford@sanjoseca.gov or (408) 535-6876.

ATTACHMENT

Appendix

Attachment

APPENDIX

1. ALL RISKS PROPERTY AND BOILER & MACHINERY INSURANCE

	CURRENT PROGRAM 10/01/2025-10/01/2026	RENEWAL PROGRAM 10/01/2026-10/01/2027
Carrier	Factory Mutual Insurance Company (FM)	Factory Mutual Insurance Company (FM)
Total Insurable Values	$6,993,661,984	$7,246,912,298
Limit of Liability	$1,000,000,000 Property Damage and $300,000,000 Business Interruption subject to a $500,000 Deductible per Occurrence	$1,000,000,000 Property Damage and $300,000,000 Business Interruption subject to a $500,000 Deductible per Occurrence
Boiler & Machinery	Included	Included
Earthquake	Excluded. Relatively low limits available 5% deductible, high premium-not recommended.	Excluded. Relatively low limits available 5% deductible, high premium-not recommended.
Flood	$10,000,000 for all locations. Deductible is $500,000 per location for all locations except the Airport, Convention Center, and Regional Wastewater Facility are given a flat $10,000,000 (Airport and Convention Center) and $5,000,000 (Regional Wastewater Facility) per location flood deductible.	$10,000,000 for all locations. Deductible is $500,000 per location for all locations except the Airport, Convention Center, and Regional Wastewater Facility are given a flat $10,000,000 (Airport and Convention Center) and $5,000,000 (Regional Wastewater Facility) per location flood deductible.
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	Included for additional premium	Included for additional premium
Engineering Services	Included in coverage	Included in coverage
Multiyear	Not Available	Not Available

2. AUTOMOBILE LIABILITY FOR THE AIRPORT FLEET AND AIRPORT SHUTTLE BUS FLEET PHYSICAL DAMAGE

	CURRENT PROGRAM 10/01/2025-10/01/2026	**RENEWAL PROGRAM 10/01/2026-10/01/2027**
Carriers	Gemini Insurance Company (Auto Liability) Hanover Insurance Company (Physical Damage)	Gemini Insurance Company (Auto Liability) Hanover Insurance Company (Physical Damage)
Coverage and Deductibles	Auto Liability-Fleet Only $1,000,000 Combined Single Limit (Any Auto) Retention $250,000 each Accident Physical Damage-Buses Only Per Schedule Subject to $10,000 Comp/$10,000 Coll. except New Flyer Buses $5,000 Com/$5,000 Coll.	Auto Liability-Fleet Only $1,000,000 Combined Single Limit (Any Auto) Retention $250,000 each Accident Physical Damage-Buses Only Per Schedule Subject to $10,000 Comp/$10,000 Coll. except New Flyer Buses $5,000 Com/$5,000 Coll.
Exposure	Number of Vehicles: 81	Number of Vehicles: 83

3. AUTOMOBILE LIABILITY-REGIONAL WASTEWATER FACILITY FLEET

	CURRENT PROGRAM 10/01/2025-10/01/2026	**RENEWAL PROGRAM 10/01/2026-10/01/2027**
Carrier	Gemini Insurance Company (Auto Liability)	Gemini Insurance Company (Auto Liability)
Coverage and Deductibles	Auto Liability-Fleet Only $1,000,000 Combined Single Limit (Any Auto) Retention $250,000 each Accident	Auto Liability-Fleet Only $1,000,000 Combined Single Limit (Any Auto) Retention $250,000 each Accident
Exposure	Number of Units: 58	Number of Units: 58

4. LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT

	CURRENT PROGRAM 10/01/2025-10/01/2026	**RENEWAL PROGRAM 10/01/2026-10/01/2027**
Carrier	Arch Insurance Company	Arch Insurance Company
Limits of Insurance and Deductibles	Blanket Accident and Health Policy (Accident Only; Injury Only) Principal Sum (loss of Life): $250,000; subject to an aggregate limit of $1,250,000 per accident	Blanket Accident and Health Policy (Accident Only; Injury Only) Principal Sum (loss of Life): $250,000; subject to an aggregate limit of $1,250,000 per accident

5. SECONDARY EMPLOYMENT LAW ENFORCEMENT PROFESSIONAL LIABILITY

	CURRENT PROGRAM 10/01/2025-10/01/2026	RENEWAL PROGRAM 10/01/2026-10/01/2027
Carrier	Lexington Insurance Company (AIG)	Lexington Insurance Company (AIG)
Limits of Insurance and Deductibles	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate \$100,000 Annual Aggregate Line of Duty Death Coverage Subject to a \$100,000 Deductible including Loss Adjustment Expense[22]	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate \$100,000 Annual Aggregate Line of Duty Death Coverage Subject to a \$100,000 Deductible including Loss Adjustment Expense[23]
Average Rate per Officer	\$219.37 (622 Participating Officers estimated at policy inception)	\$210.68 (755 Participating Officers estimated at policy inception)

6. GOVERNMENT CRIME

	CURRENT PROGRAM 10/01/2025-10/01/2026	RENEWAL PROGRAM 10/01/2026-10/01/2027
Carrier	Great American Insurance Company	Great American Insurance Company
Limits of Insurance and Deductibles	Employee Theft, Forgery, or Alteration and Inside the Premises-Theft of Money and Securities-\$5,000,000 per occurrence subject to a \$250,000 deductible per occurrence.	Employee Theft, Forgery, or Alteration and Inside the Premises-Theft of Money and Securities-\$5,000,000 per occurrence subject to a \$250,000 deductible per occurrence.
Sublimits of Insurance	Computer Fraud, Funds Transfer Fraud, and Money Orders and Counterfeit Money- \$1,000,000 per occurrence subject to a \$250,000 deductible per occurrence. Government Deception Fraud-\$250,000 per occurrence subject to a \$250,000 deductible per occurrence.	Computer Fraud, Funds Transfer Fraud, and Money Orders and Counterfeit Money- \$1,000,000 per occurrence subject to a \$250,000 deductible per occurrence. Government Deception Fraud-\$250,000 per occurrence subject to a \$250,000 deductible per occurrence.

[22] Loss Adjustment Expense includes costs for investigation and defense of claims.
[23] Loss Adjustment Expense includes costs for investigation and defense of claims.