

STAFF REPORT
City of Lancaster, California

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07/10/07
RSL

Date: July 10, 2007

To: Mayor Hearn and City Council Members

From: Beverly Glode, Human Resources & Risk Management Director

Subject: Extension of the City's Insurance for the Property and Public Entity Liability Programs.

Recommendation:

Adopt Resolution 07-142, authorizing the extension of the insurance policies for the City's Property and Public Entity Liability Programs for a six month term beginning January 1, 2008.

Fiscal Impact:

The six month extension costs \$522,131. This amount is covered in the fiscal year 2007/08 adopted budget.

Background:

The City of Lancaster purchases commercial insurance policies to cover the risk of loss to City property and to transfer losses resulting from claims made by third parties against the City. The liability program covers claims against the City for losses incurred by third parties and includes coverage for the museum collections and loaned exhibits. The property program covers City owned property, and includes coverage for earthquake and flood events.

The expiration date for the policies in the program is December 31, 2007. The six month term extension would cause the policies to expire on July 1, 2008. This would place the City of Lancaster in a more favorable position for negotiating renewal policies since there are more providers in the market at the July 1 renewal period. The extended policies, when authorized, would cover the period January 1, 2008 through June 30, 2008.