

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Isaac Garibay, Director of Human Resources and Risk Management

DATE: February 11, 2025

SUBJECT: Approve Increase of Excess Liability Insurance Policy with Arch Specialty and Acceptance Casualty Insurance Companies

PREPARED BY: Nicole Flores, Risk Manager

RECOMMENDATIONS: That the City Council approve the increase of the City’s excess liability insurance policy and additional premiums:

1. Excess Liability (\$5M excess \$15M Limit) insurance with Arch Specialty Insurance Company, in the prorated amount of \$67,843.95, for the period of February 1, 2025 to July 1, 2025; and
2. Excess Liability (\$5M excess \$20M Limit) insurance with Acceptance Casualty Insurance Company, in the prorated amount of \$44,085.72 for the period of February 1, 2025 to July 1, 2025; and

BACKGROUND: Staff requested that the City’s insurance broker, Alliant Insurance Services (AIS) market the City’s Excess Liability Insurance to increase existing limits from \$15 million to \$25 million, which is the standard limits of similar-sized cities. In response, AIS obtained proposals from two insurance companies. To ensure the insurance companies have sufficient financial capacity to provide the necessary policy limits to ensure the City’s risks, AIS utilized the services of A.M. Best Rating system to assess their financial strength and creditworthiness. The insurance premiums are listed below:

**Excess Liability Insurance (\$5M excess \$15M Limit)
Arch Specialty Insurance Company**

Carrier		Premium
Arch Specialty Insurance Company	A+ (Superior), FSC: XV (Greater than \$2B)	\$67,843.95

The premium amount of \$67,843.95 for Excess Liability Insurance coverage is an increase in premium to add an additional \$5 million in limits to the \$15 million already purchased.

Excess Liability Insurance (\$5M excess \$20M Limit)
Acceptance Casualty Insurance Company

Carrier		Premium
Acceptance Casualty Insurance Company	A- (Excellent), FSC: XI (\$750M to \$1B)	\$44,085.72

The premium amount of \$44,085.72 for Excess Liability Insurance coverage is an increase in premium to add an additional \$5 million in limits to the \$20 million already purchased.

FISCAL IMPACT: No Fiscal impact, additional insurance premiums fall into current budget amounts for the Fiscal Year 2024-25.

ATTACHMENTS: Insurance Proposal Prepared for City of Temecula.