

AN ORDINANCE **97377**

AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE, TO PURCHASE AIRCRAFT HULL AND LIABILITY INSURANCE FOR THE CITY OF SAN ANTONIO WITH ACE USA GROUP (WESTCHESTER FIRE INSURANCE COMPANY) THROUGH McGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC., THE CITY'S BROKER OF RECORD, AT AN ANNUAL PREMIUM OF \$150,442.00, FOR A ONE (1) YEAR TERM BEGINNING AT 12:01 A.M. ON MARCH 31, 2003 THROUGH 12:01 A.M. ON MARCH 31, 2004.

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WHEREAS, the ACE USA Group Aircraft Hull and Liability Insurance policy provides property damage coverage for the City-owned helicopters operated by the San Antonio Police Department, liability coverage from the operation of the helicopters and additional coverages including cargo legal liability, coverage for spare parts, and extra expense coverage; and

WHEREAS, the recommended policy has a limit of \$10,000,00.00 single limit per occurrence for bodily injury or property damage; a sublimit of \$5,000.00 per person, including crew members, for medical payments; and a sublimit of \$250,000.00 for the "FLIR" Equipment (Forward Looking Intra Red System); and

WHEREAS, the amount of the deductible for each loss occurrence depends on the activity of the aircraft at the time of the occurrence, with a \$500.00 deductible amount for each hull if the rotors are not in motion and if the rotors are in motion, the hull per occurrence deductible equals five percent (5%) of the amount of insurance coverage for the aircraft; and

WHEREAS, the City's Broker of Record, McGriff, Seibels & Williams of Texas, Inc., recommends placing the Aircraft Hull and Liability Insurance coverage with ACE USA Group (Westchester Fire Insurance Company); and

WHEREAS, it is to the benefit of the City of San Antonio that it continue to insure physical damage exposure to these helicopters with the extra expense coverage afforded by ACE USA Group (Westchester Fire Insurance Company), which reimburses the City when it is necessary to expedite replacement parts or acquire the temporary use of a replacement aircraft; and

WHEREAS, purchasing insurance for aircraft hull and liability reflects a continuation of past policy; and

WHEREAS, this year's premium of \$150,442.00 reflects an 8% reduction over last year's premium; and

WHEREAS, because of the importance of this insurance coverage, City staff has instructed the Broker of Record to bind this coverage effective March 31, 2003; and

WHEREAS, it is necessary to authorize the purchase the said insurance policies through the City's Broker of Record, for the period beginning March 31, 2003 and ending March 31, 2004; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, is hereby authorized to purchase the City's Aircraft Hull and Liability Insurance with ACE USA Group (Westchester Fire Insurance Company) through the City's Broker of Record, McGriff, Seibels & Williams of Texas, Inc., for a one-year period beginning March 31, 2003 and ending March 31, 2004 at an annual premium of \$150,442.00.

SECTION 2. The amount of \$150,442.00 is authorized to be encumbered in Fund 75-001000, Insurance Reserve Fund, in Index Code 500546, entitled Insurance Premium-Excess Liability \$100,000, and made payable to McGriff, Seibels & Williams of Texas, Inc., for the purchase of Aircraft Hull and Liability Insurance for the period of March 31, 2003 through March 31, 2004.

SECTION 3. This ordinance shall take effect ten days from the date of passage.

PASSED AND APPROVED this 27th day of March, 2003.

ATTEST: Jelanda L. Ledum
City Clerk

ED
MAYOR
EDWARD D. GARZA

APPROVED AS TO FORM: M. Bernadette McKay
City Attorney