



City of Grand Island

Tuesday, March 04, 2003

Council Session

Item G10

#2003-61 - Approving Terrorist Insurance for Utilities Operations

The city has been contacted by Factory Mutual Insurance regarding whether or not it wants to obtain terrorist insurance on the city's utility properties. The federal government has established a program in which it will insure 90% of the loss as a result of terrorist activities by foreign nationals and other such terrorist groups. To obtain any federal coverage however, the city needs to procure a terrorist insurance policy to protect the Utility Department assets. Staff is recommending that the city procure the terrorist policy based on the relatively small amount of the premium and the very large amount of damage that could potentially be done to the utility assets if terrorists attacked.

Staff Contact: Doug Walker

RESOLUTION 2003-61

WHEREAS, recent terrorist events have created exposure to municipal utility assets; and

WHEREAS, in response to the September 11, 2001 terrorist attacks, the federal government enacted the Terrorism Risk Insurance Act of 2002 which provides up to 90% coverage for damages caused by terrorist activities; and

WHEREAS, such federal coverage is conditioned on private terrorism insurance being in effect to cover losses arising out of acts of terrorism; and

WHEREAS, Factory Mutual Insurance Company, the insurance company that provides coverage for the City of Grand Island utility assets, has agreed to provide terrorism insurance coverage for the City's utility assets at a rate of \$15,835 per year; and

WHEREAS, it is recommended that such insurance coverage be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island is hereby authorized to obtain terrorism insurance coverage for the City's utility assets from Factory Mutual Insurance Company at the rate of \$15,835 per year.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 4, 2003.

RaNae Edwards, City Clerk