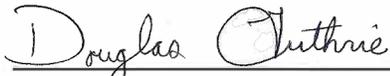


**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO PURCHASE ONE YEAR OF  
AUTOMOBILE LIABILITY INSURANCE COVERAGE FROM THE HOUSING AUTHORITY INSURANCE  
GROUP AND EXECUTE RELATED DOCUMENTS**



Douglas Guthrie  
President & Chief Executive Officer



Annie Markarian,  
Director, Labor & Employee Relations

**Purpose:** The purpose of this item is to purchase one year of automobile liability insurance coverage from the Housing Authority Insurance Group (“HAI”) for an estimated cost of \$354,572. The automobile liability coverage provides financial protection for the Housing Authority of the City of Los Angeles (“HACLA”) and its employees against claims resulting from bodily injury liability and property damage from third party claimants.

**Regarding:** HACLA’s automobile insurance is renewed annually. On May 28, 2020, HACLA’s Board of Commissioners adopted Resolution No. 9597 authorizing the purchase of \$5,000,000 in automobile liability insurance coverage from HAI for three hundred and thirty-five (335) vehicles at a composite rate of \$968.05 per vehicle, at a total one (1) year estimated annual premium of \$324,300.

**Issues:** The State of California and the U.S. Department of Housing and Urban Development (“HUD”) requires HACLA to maintain automobile liability insurance for any vehicles it owns and/or operates.

At this time, HACLA owns and/or operates a fleet of three-hundred and ten (310) vehicles for business use. Of these, one-hundred and three (103) are electric scooters and two-hundred and seven (207) are automobiles, trucks, trailers and vans. This is a mix of vehicles that still maintain a useful life and are in good operational condition.

In 2021, the premium with the reinsurance market for the State of California has increased on average twenty-five percent (25%). Due to HACLA’s claim rate and driving record, we have secured an annual proposed premium of \$354,572, which reflects a nine percent (9%), or \$30,272, increase over the expiring policy. (The 2020 policy included a Covid-19 premium adjustment credit for the sum of \$5,772.) The composite rate per vehicle under the new policy will be \$1,143.78. The proposed new term begins at 12:00 am on June 15, 2021, and expires at 12:00 am on June 15, 2021.

Note, when adding and removing vehicles from the policy, the composite rate per vehicle will vary depending on the type of vehicle. The limit of liability coverage and deductible remain the same.

The following chart sets forth the comparison between the expiring policy and the proposed new policy.

	Current Program 2020/2021	Renewal Program 2021/2022
<b>Coverages and Deductibles</b>	Automobile - owned \$5,000,000 coverage	Automobile - owned \$5,000,000 coverage
	<b>Uninsured Motorist</b> and Non-owned-hire auto \$1MM Coverage \$50k Deductible	<b>Uninsured Motorist</b> and Non-owned-hire auto \$1MM Coverage \$50k Deductible
<b>Units</b>	335	310
<b>Annual Premium</b>	\$324,300	\$354,572
<b>Composite Rate</b>	\$968.05	\$1,143.78

HUD waives the bidding requirements of the Annual Contributions Contract with regard to insurance purchase for any public housing agency that joins and remains a member of HAI. HACLA qualifies for this waiver.

**Vision Plan:** Purchase of automobile insurance is administrative in nature and required to comply with regulatory requirements and best practices.

**Funding:** The Chief Administrative Officer confirms the following:

Source of Funds: The cost of automobile liability insurance is allocated to the various HACLA programs by number of vehicles assigned to each program. Amounts by program/funding source are as follows:

Public Housing	Section 8	Strategic Development	Central Office	Total
\$ 264,809	\$ 16,208	\$ 11,220	\$ 62,335	\$ 354,572

Budget and Program Impact: The necessary funds are available and included in the 2021 operating budget and will be budgeted in 2022 as required.

**Environmental Review:** not applicable

**Section 3:** not applicable

**Attachments:**

1. Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO PURCHASE ONE YEAR OF AUTOMOBILE LIABILITY INSURANCE COVERAGE FROM THE HOUSING AUTHORITY INSURANCE GROUP AND EXECUTE RELATED DOCUMENTS**

**WHEREAS**, the Housing Authority of the City of Los Angeles ("HACLA") currently owns and/or operates a fleet of 310 motorized vehicles (automobiles, trucks, trailers, vans and scooters) for business use; and

**WHEREAS**, the State of California and the U.S. Department of Housing and Urban Development ("HUD") require HACLA to maintain automobile liability insurance; and

**WHEREAS**, HUD has waived the bidding requirements for public housing agencies who wish to insure with Housing Authority Insurance Group ("HAI").

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners authorize the President and CEO, or their designee, to: 1) Purchase one year of automobile liability insurance coverage from HAI for an estimated cost of \$354,572; 2) Authorize deductible payments of \$50,000 per occurrence for any claim arising out of this policy; 3) Authorize enrollment coverage for any vehicle purchased or leased during the policy period; and 4) Execute related documents.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

APPROVED AS TO FORM

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

By: \_\_\_\_\_  
James Johnson, General Counsel

By: \_\_\_\_\_  
Cielo Castro, Chairperson

DATE ADOPTED: \_\_\_\_\_