



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Port Risk Manager to Renew the Port of Oakland’s Contractors Pollution Liability Insurance Policy with Navigators Specialty Insurance Company, Arranged and Paid Through Alliant Insurance Services, for an Amount Not to Exceed \$232,000, Delegate Authority to the Port Risk Manager to Execute any Necessary Documents, and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Finance & Admin)**

Submitted By: Julie Lam, Chief Financial Officer; Kristi McKenney, Executive Director

Parties Involved:

Alliant Insurance Services, Insurance Broker, Los Angeles, CA

Navigators Specialty Insurance Company, Insurance Company, New York, NY

Amount: Not to Exceed \$232,000 (Capital Expense)

EXECUTIVE SUMMARY: Contractors pollution liability (CPL) is part of the Port of Oakland (Port) Owner Controlled Insurance Program (OCIP), which the Port has had since 1999, and provides protection to the Port and the Port’s contractors in the event such contractor releases pollutants or exacerbates existing pollution conditions during the construction of a Port capital improvement project and thereby causes bodily injury, property damage, or environmental damage. The proposed CPL insurance policy is expected to cost approximately \$165,197 but not to exceed \$232,000.

BACKGROUND & ANALYSIS

The Port’s capital construction contracts require the Port to provide CPL insurance. The Port’s existing CPL insurance, placed with Navigators Specialty Insurance Company (Navigators), is due to expire on July 14, 2026. The Port’s OCIP also provides workers compensation, general liability and excess liability insurance protection for enrolled contractors and sub-contractors working on Port capital construction projects. These other policies expire in February of 2029. The CPL is presented separately because renewal details are not available when the Board considers these other policies.

Port staff asked the Port’s prime broker of construction insurance, Alliant Insurance Services (Alliant), to explore options for renewing the CPL coverage effective July 14, 2026. Alliant requested quotes from six insurers and received timely bindable quotes from three. Of these quotes, the incumbent insurer, Navigators, quoted the lowest premium.

The following Table 1 compares the proposed Navigators CPL policy with the expiring policy. Although Port construction spend is expected to increase in the coming policy period, the premium decreased by 10%. This equates to a 24% decrease in rate (cost of insurance per \$1,000 of construction cost). Coverage under the two policies is substantially the same.

Table 1
Comparison to Expiring Policy

	Current CPL Policy (3 Year Policy Term)	Proposed CPL Policy (3 Year Policy Term)
Primary Insurance Carrier:	Navigators	Navigators
Expiration Date:	July 14, 2026	July 14, 2029
Limit:	\$20,000,000	\$20,000,000
Term:	3 Years	3 Years
Deductible per Occurrence:	\$100,000	\$100,000
Estimated Construction Spend:	\$253,206,000	\$298,763,000
Premium Rate/\$1000: <i>incl. Fees/Taxes</i>	\$0.727115471	\$0.552936609
Premium incl. Fees/Taxes:	\$184,110	\$165,197

Insurance Broker Compensation

Alliant will be compensated solely by commission paid by the insurance company. Such commission is retained from premiums paid and is expected to be 12.5% of the premium cost (net of taxes/fees), or about \$20,013.

On-Going Work to Finalize CPL Renewal

As is customary in the insurance market, terms, conditions, and pricing are not locked-in until very close to the insurance policy effective date. Through the insurance carrier's on-going review or changes to the global insurance market, there could be further adjustments to pricing and scope of coverage. No such changes are currently expected, but authorization of the greater not to exceed amount of \$232,000 is requested in the event of such a change. The insurance policy shall be subject to the Port Attorney's review as to form and legality.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

"Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

Other/Notes:

BUDGET

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

Operating

Non-Operating

Capital

Analysis: The insurance premium along with taxes and fees for the proposed Navigators CPL insurance policy as described in this Agenda Report is included in the FY 2027 Capital Budget and 5-Year Capital Improvement Plan awaiting approval by the Board of Port Commissioners anticipated for the June 25th session, as part of project-specific budgets.

STAFFING

No Anticipated Staffing Impact.

Anticipated Change to Budgeted Headcount.

Reason:

Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

**MARITIME AND AVIATION PROJECT
LABOR AGREEMENT (MAPLA):**

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

Additional Notes:

<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> The proposed action will offer coverage for pollution losses and pollution damages related to capital construction essential to sustaining Port operations.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input checked="" type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	