



REPORT TO CITY COUNCIL

Approved by:

Wendy Silva
Wendy Silva, Director of Human Resources

Arnoldo Rodriguez
Arnoldo Rodriguez, City Manager

Council Meeting of: February 5, 2020

Agenda Number: B-6

SUBJECT:

Consideration of a Minute Order Authorizing the City Manager to Execute a Partial Proof of Loss for Repair of Police Unit 6014 and Replacement of Police Unit 6010 in the Amount of \$30,448.59 and Authorizing the City Manager to Submit and Execute any Further Related Documents to Finalize the Insurance Claim.

RECOMMENDATION:

Staff recommends the City Council (Council) authorize the City Manager to execute the Partial Proof of Loss so that the City can collect insurance proceeds towards the replacement of Police Unit 6010 and Authorizing City Manager to Submit and Execute any Further Related Documents to Finalize the Insurance Claim.

SUMMARY:

On August 9, 2019, Police Units blocked the east and westbound lanes of Pecan Avenue between Stadium Road and Pine Street in order to safely collect evidence in the roadway from a separate incident. A Nissan Altima came through the crime scene, traveling at a high rate of speed and driving the wrong way. The Altima hit Police Unit 6010 and pushed Unit 6010 into Unit 6014. The impact totaled Unit 6010 and Unit 6014 was able to be repaired. The Altima's driver did not have sufficient insurance to cover the cost of the total damages. The City's vehicle insurance program will reimburse the City for the replacement of Unit 6010 and the repair of Unit 6014, less the City's \$2,000 self-insured retention. To receive the reimbursement, the City must execute a Proof of Loss with its primary insurance carrier. At this time, a Partial Proof of Loss has been received from the insurance carrier. This will provide the initial funds for the replacement of Unit 6010. Once the unit is completely upfitted and outfitted, estimated to occur within the next couple of months, a Final Proof of Loss will be provided to the City to finalize the claim and pay out any remaining amounts due the City.

DISCUSSION:

On August 9, 2019, Police Units 6010 and 6014 were parked on Pecan Avenue west of Stadium Road, blocking the westbound lane with their light bars activated. Other Police units were

blocking the eastbound lane of Pecan Avenue at Pine Street. The road was closed while Madera Police Department assisted the California Highway Patrol collect shell casings from an unrelated case. While officers were attempting to collect evidence in the road, a Nissan Altima came through the crime scene, traveling at a high rate of speed in an eastbound direction in the westbound lanes. The Altima hit Police Unit 6010 and pushed Unit 6010 into Unit 6014. The Altima became airborne, flipped, and landed on its roof in the roadway. Fortunately, no one was seriously injured in the crash and no Officers were hit. Unit 6010 was totaled from the impact of the collision and Unit 6014 was able to be repaired. The damaged vehicles are shown below.



Picture 1. Unit 6010 (totaled)



Picture 2. Unit 6014 (repairable)

The driver of the Altima was found to be at fault in the collision and was determined to be under the influence of alcohol. The City initially filed a claim with the driver's insurance, however, the driver did not have sufficient insurance to cover the loss. For this reason, the City initiated a claim with its own insurance and the City's insurance will subrogate against the at-fault driver's insurance to recover the \$10,000 policy maintained by the at-fault driver to offset the City's claim.

The City participates in the Alliant Property Insurance Program (APIP) through Alliant Insurance Services, with claims handling provided by McLarens Young International. This program has a \$10,000 deductible for scheduled auto losses. The City additionally participates in the Auto Physical Damage pooled program through the Central San Joaquin Valley Risk Management Authority (CSJVRMA) to cover the \$10,000 deductible with a \$2,000 self-insured retention on vehicle losses. These programs provide reimbursement at current replacement value for losses. Because these vehicles were damaged in a single loss, there is only one \$2,000 self-insured retention the City will be responsible for. The claim information filed with APIP to date is itemized below in Table 1.

Table 1. Total Loss Estimate	
Item	Repair/Replacement Cost
Unit 6014 Repair Cost	\$1,779.42
Unit 6010 Replacement Vehicle (State Contract)	\$40,448.59
Upfitting for New Vehicle	\$8,277.41
Graphics Package for New Vehicle	\$433.00
Towing Fees – Both Vehicles	\$500.00
Salvage Value of Unit 6010	-\$550.00
Total Claim Value	\$51,388.42

At this time, the insurance provider has offered to provide the funds for replacement of Unit 6010 in advance of finalizing the claim. The claim cannot be finalized until final invoices are submitted. While the replacement vehicle was ordered, delivery is expected in February with upfitting and graphics work to follow. For this reason, a Partial Proof of Loss has been provided in the amount of \$30,448.59 by the primary insurer. This is the replacement vehicle value of Unit 6010 less the City’s \$10,000 deductible. The Human Resources Department will continue to work with the Fleet Department on finalizing all aspects of the replacement, and once complete, final invoices will be submitted to the insurance, at which time the City will be eligible to receive the balance of the funds due, including payment from the CSJVRMA pool. A Final Proof of Loss will be provided to the City at that time to finalize the claim and pay out any remaining amounts due the City. The requested action would provide the City Manager authority to finalize the claim and sign any necessary documents.

FINANCIAL IMPACT:

The insurance proceeds will be put into the appropriate accounts to pay for the replacement of Unit 6010 and repair of Unit 6014. The Police Department will be responsible for the \$2,000 self-insured retention not covered by insurance.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The requested action is not addressed in the vision or action plans; the requested action is also not in conflict with any of the actions or goals contained in that plan.

ALTERNATIVES:

Council may direct staff to withdraw the insurance claim and pay for repairs from the City’s General Fund.

ATTACHMENTS:

1. Partial Statement of Value and Loss
2. Master Partial Proof of Loss

PARTIAL STATEMENT OF VALUE AND LOSS

CSJVRMA: City of Madera

Madera, CA

Two Damaged Vehicles - August 9, 2019

Coverage:

Manuscript form providing all risk coverage for real and personal property. A \$10,000 deductible applies.

Recapitulation of Verified Detail

Values at risk

<u>Value</u>	<u>Loss</u>
Not Found	

Loss as determined per McLarens estimate:

Veh replacement - VIN 5779 \$ 40,448.59

ACV Claim \$40,448.59 \$ 40,448.59

Value and Loss	Not Found	\$ 40,448.59
Less Deductible		\$ (10,000.00)
Net Claim		<u>\$ 30,448.59</u>

MASTER PARTIAL PROOF OF LOSS

TO THE VARIOUS COMPANIES UNDER THEIR RESPECTIVE POLICIES AS INDICATED IN THE ANNEXED SCHEDULE OF INSURANCE AND APPORTIONMENT OF CLAIM WHICH IS MADE A PART HEREOF

At time of loss, by the annexed indicated policies of insurance you insured CSJVRMA and its member, City of Madera

against loss by All Risk of physical loss or damage to the property described

under Schedule annexed according to the terms and conditions of the said policies and all forms, endorsements, transfer and assignments attached thereto.

1. **Time and Origin:** An all risks of direct physical loss or damage loss occurred about the hour of STATE KIND o'clock M., on the 9th day of August 20 19. The cause and origin of the said loss were: Collision; vehicle damage; VIN 1FM5K8AR8JGA15779

2. **Occupancy:** The building described, or containing the property described, was occupied at the time of the loss as follows, and for no other purpose whatever: _____

3. **Title and Interest:** At the time of the loss the interest of your insured in the property described therein was sole and unconditional ownership, and no other person or persons had any interest therein or encumbrance thereon, except: No exceptions

4. **Changes:** Since the said policies were issued there have been no assignments thereof, or change of interest, use, occupancy, possession, location or exposure of the property described, except: No exceptions

5. **Total Insurance:** The total amount of insurance upon the property described by the involved policies was, at the time of the loss, \$ _____ as more particularly specified in the apportionment attached, besides which there was no policy or other contract of insurance, written or oral, valid or invalid.

6. **The Actual Cash Value** of said property at the time of loss was \$ Not Determined

7. **The Whole Loss and Damage** was \$ 40,448.59

8. **The Amount Claimed** under this Master Proof of Loss \$ 30,448.59

(SEE APPORTIONMENT ATTACHED)

The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing as been done by or with the privity or consent of your insured or this affiant, to violate the conditions of the policies of insurance or render them void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

The furnishing of this blank or the preparation of this Master Proof of Loss by a representative of the annexed mentioned insurance companies is not a waiver of any of their rights.

FOR YOUR PROTECTION, CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM:

Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

State of _____ (Insured Signature)

County of _____ Insured

Subscribed and sworn to (or affirmed) before me on this _____ day of _____ (month), _____ (year) by _____ proved to me on the basis of satisfactory evidence to be

the person(s) who appear before me.

_____ (signature of Notary)