

## **PROPERTY AND CASUALTY INSURANCE ADMINISTRATION AGREEMENT**

THIS AGREEMENT is made and entered into by and between The City of Oklahoma City, a municipal corporation, and the Oklahoma City Municipal Facilities Authority, a public trust, hereinafter referred to respectively as "The City" and "OCMFA" or "Authority."

### **WITNESSETH:**

WHEREAS, the City Council of The City of Oklahoma City deems it desirable that the City insure certain property and liability exposures of The City and the public trusts of which it is sole beneficiary, be insured as a means of protecting the City and the public against the financial consequences of accidental loss; and

WHEREAS, The City initially entered into an agreement with the OCMFA on April 12, 1983 for administrative services related to the administration of The City's Property and Casualty Insurance Program, which agreement has been renewed from year to year; and

WHEREAS, the OCMFA is a public trust, authorized by state law and governed by a Board of Trustees who are the duly elected Mayor and City Council of The City; and

WHEREAS, the City Council deems it desirable to continue contracting with the OCMFA to provide administrative services related to the day-to-day management and operation of the Property and Casualty Insurance Program, while at the same time, reserving to the City Council the complete authority to set policy, to request additional services from the OCMFA, and to approve and amend the Property and Casualty Insurance Program, its budget, and the terms under which the Program shall be conducted; and

WHEREAS, OCMFA deems it desirable to renew the agreement with The City of Oklahoma City designating the Authority, by and through the Risk Management Division of the Finance Department, as the entity responsible as the agency for the day to day

management and operation of the Property and Casualty Insurance Program and prescribing the responsibilities for conduct of approved activities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, it is mutually agreed by and between the parties hereto as follows:

#### **ARTICLE I. COMMENCEMENT AND TERMINATION**

This Agreement shall become effective July 1, 2023 and shall remain in full force and effect through June 30, 2024. This Agreement may be terminated by mutual consent or by either party by giving at least thirty (30) days prior written notice of such termination by certified mail to the other party.

#### **ARTICLE II. ADMINISTRATION SERVICES**

OCMFA, by and through the Risk Management Division of the Finance Department, shall be responsible for the administration of The City of Oklahoma City's Property and Casualty Insurance Program. In carrying out said responsibilities, the OCMFA may exercise the delegated authority and shall perform the following services on behalf of The City of Oklahoma City:

- (1) Exercise the delegated authority, through the designated Risk Manager, upon approval by the Finance Director, to bind and purchase insurance coverage for any and all insurance policies with premiums under \$100,000, subject to available funding.
- (2) Prior to binding and purchasing insurance coverage for policies over \$100,000, OCMFA, by and through the Risk Management Division, shall prepare for City Council consideration and approval, any and all insurance policies recommended by OCMFA.
- (3) Investigate all claims submitted, or which may possibly be submitted as a claim, to an insurer.
- (4) Maintain records of all information submitted to insurance carriers and records of all insurance policies procured on behalf of The City or the public trusts of which it is the sole beneficiary.

- (5) Maintain records relative to insured values of properties.
- (6) Timely pay premiums for property and casualty insurance from OCMFA Fund accounts. The City agrees to transfer funds to OCMFA as necessary to implement the terms of provisions of this Agreement, and the City Manager or his designee is authorized to transfer said funds.
- (7) Develop and establish a property conservation program on behalf of The City. Based upon The City's policies related to professional services selection criteria, enter into appropriate agreements with qualified insurance broker(s) to provide professional insurance procurement services.

### **ARTICLE III. LIABILITY**

The City acknowledges that, as the sole source of funding for the Property and Casualty Insurance Program, it retains a responsibility to provide adequate funding to OCMFA to administer and purchase required property and casualty insurance. The City acknowledges that nothing in this Agreement obligates the OCMFA to purchase or pay for any insurance premiums or costs in excess of the transferred funds provided by The City for this Agreement. Furthermore, this Agreement does not obligate The City to transfer any additional funds to OCMFA for payment of said benefits but merely is a statement of intent of The City to transfer said funds in order to expedite the administration of The City's Property and Casualty Insurance Program.

### **ARTICLE IV. FUND ACCOUNTS**

OCMFA agrees that it will establish or continue to utilize the following special fund accounts, some of which were previously established, for payment of insurance premiums and costs related to property and casualty losses.

1. **Premium Payment Account:** This account will provide for payment of premiums to any party with whom OCMFA contracts for property and casualty insurance.

2. **Deductible/Uninsured Loss:** This account provides for payment of losses suffered by City operations that are not reimbursed by insurance or may serve as an advance prior to recovery from an insurer. Payment may include, but not be limited to, the following:

- (a) securing property

- (b) repair of property
- (c) loss adjustment expenses
- (d) any other costs reasonable and necessary to mitigate losses or effect repairs Reserve Fund Account; OCMFA shall maintain this account as a reserve and may

be transferred to the premium payment account and/or deductible/uninsured loss account.

All the above-enumerated accounts are unrestricted.

#### **ARTICLE V, CONTRACTS**

The OCMFA shall have the authority to enter into contracts of insurance on behalf of The City, the public trusts for which the City is sole beneficiary, and additional insured which may be named in certain agreements as having an interest in the insurance contract. Insurance contracts shall be consistent with the Risk Management Policy Statement adopted by the City Council on September 22, 1981.

The OCMFA shall also have the authority to enter into contracts for necessary assistance in carrying out such activities in an efficient and timely manner in accordance with applicable laws and regulations.

[Remainder of page is blank. Signature page follows.]

**APPROVED** by the Trustees and **SIGNED** by the Chairman of The Oklahoma City Municipal Facilities Authority this 20<sup>th</sup> day of June 2023.

**ATTEST:**

Amy K Simpson  
Secretary



David Holt  
Chairman

**APPROVED** by the Council and **SIGNED** by the Mayor of The City of Oklahoma City  
this 20<sup>th</sup> day of June 2023.

**ATTEST:**

Amy K Simpson  
City Clerk



David Holt  
Mayor

**REVIEWED** for form and legality

Richard E. Mahoney  
Assistant Municipal Counselor