



MEMORANDUM

OCMFA Agenda
Item No. MFA. D
7/2/2024

The City of OKLAHOMA CITY

TO: Chairman and Trustees of the Oklahoma City Municipal Facilities Authority

FROM: Craig Freeman, City Manager/General Manager, OCMFA

Joint Resolution with The City of Oklahoma City approving the purchase and acquisition of streetcar insurance coverage for the benefit of The City and its participating public trusts, effective July 1, 2024; authorizing and directing the Chairman or in his absence, the Vice-Chairman of the Oklahoma City Municipal Facilities Authority to execute documents necessary to bind the recommended and approved insurance policy; and authorizing the transfer of funds from the Risk Management Internal Service Fund to the OCMFA - Risk Management - Property and Casualty Insurance Administration Fund, \$280,302, retroactive to July 1, 2024 through June 30, 2025.

Background:

This item is related to the Property and Casualty Insurance Administration Agreement with the OCMFA for the day-to-day operation of the City's Property and Casualty Insurance Program. The agreement requires that prior to binding and purchasing insurance coverage for policies which costs exceed \$100,000, the recommended insurance policies shall be presented to the Trustees of OCMFA and to the City Council for consideration and approval.

On January 1, 2023, the OCMFA approved a five-year professional services agreement with McGriff Insurance Services (McGriff) to provide insurance brokerage services (Item No. MFA.F.). McGriff has identified and recommended a physical damage insurance policy for consideration for purchase and binding. The recommended policy is described below. The cost associated with the policy will exceed \$100,000 in Fiscal Year 24-25. The Chief Financial Officer and the Director of Risk Management have reviewed the physical damage insurance policy marketed through McGriff and recommend that the City Council and Trustees of OCMFA approve the purchase of the policy and authorize the Chairman, or in his absence, the Vice-Chairman to execute the necessary documents to bind coverage under the insurance policy.

The following insurance policy is recommended for purchase:

Physical Damage Insurance – Covers damage to streetcars, substations, the overhead catenary wire system, and tracks.

The City's Broker, McGriff, requested physical damage insurance quotes (analogous to private automobile insurance) from 20 companies, and staff is recommending accepting Houston Casualty. The premium is \$280,302 and has a \$100,000 deductible for most risks. Earthquake, Flood and Wind and Hail carry separate deductibles of \$250,000. This insurance policy protects against the risk of collision with an uninsured motorist, and other weather-related risks. This

insurance also covers the substations, overhead catenary wire system, and the track itself. This insurance policy is for 12 months and will be funded through the MFA and the City's chargeback system. The streetcars are currently covered and will remain covered by the City's existing property insurance policy when they are not in operation and stored at the Maintenance Facility.

Carrier: Houston Casualty Company

Estimated Cost:

\$280,302

Term:

July 1, 2024 through June 30, 2025

Source of Funds:

Risk/Property & Liability > OCMFA > Risk Management MFA > Property & Liability (3043–2800750–52190001)

Review:

Finance

Recommendation: Joint Resolution be adopted.