



MEMORANDUM

Council Agenda
Item No. IX. CO
6/20/2023

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution with the Oklahoma City Municipal Facilities Authority approving the purchase and acquisition of terrorism insurance coverage for the benefit of the City and its participating public trusts, effective July 1, 2023; 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, \$102,025, July 1, 2023 through October 1, 2024.

Background:

The Terrorism Risk Insurance Act (T.R.I.A.) was enacted federally in 2002 following the terrorist attack on the twin towers on September 11, 2001. It is intended to guarantee that coverage for acts of terrorism be available to insureds. The act requires that insurers provide an option to purchase coverage with every policy. The act has been modified over the years and recently re-authorized to extend it to December 31, 2027. The City purchases terrorism coverage from private insurance outside of the federal T.R.I.A program which is less expensive and offers broader coverage – including certified and uncertified events, and domestic and foreign terrorism.

On January 1, 2023, the OCMFA approved a five-year professional services agreement with McGriff Insurance Services (McGriff) to provide insurance brokerage services. McGriff has identified and recommended a terrorism insurance policy for consideration for purchase and binding. The recommended policy is described below. Costs associated with this identified policy will exceed \$100,000 and therefore will require approval from the City Council and Oklahoma City Municipal Facilities Authority for Fiscal Year 23-24. The Finance Director and the Risk Manager have reviewed the terrorism 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.

Cost:

\$102,025

Term:

July 1, 2023 through October 1, 2024

Source of Funds:

OCMFA Services–Risk/Property & Liability–Risk Management MFA Property & Liability (682–1452–2800750–52190001)

Review:

Finance

Recommendation: Joint Resolution be adopted.