



MEMORANDUM

OCMFA Agenda
Item No. MFA. C
11/5/2024

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 authorizing Renewal No. 1 of Agreement with Dearborn Life Insurance Company, doing business as Blue Cross and Blue Shield of Oklahoma, the Oklahoma City Municipal Facilities Authority, and the Oklahoma City Post-Employee Benefits Trust, as the public entities contracting with Dearborn Life Insurance Company, doing business as Blue Cross and Blue Shield of Oklahoma, on behalf of The City of Oklahoma City, to provide group life insurance plans; for eligible retirees, employees and their eligible dependents, and eligible retirees, employees and their eligible dependents, of participating public trusts, estimated cost \$1,320,000, effective January 1, 2025 through December 31, 2025.

Background:

On December 19, 2023 (Item No. MFA.F.) the Oklahoma City Municipal Facilities Authority (OCMFA) and the City Council approved an Administrative Services Agreement ("Agreement") between the OCMFA and Dearborn Life Insurance Company, doing business as Blue Cross Blue Shield of Oklahoma, to provide Group Life Insurance plans and administration to City employees, retirees, and employees and retirees of participating public trusts. The Oklahoma City Post-Employment Benefits Trust (OPEBT) approved the Agreement on February 12, 2024 (Item No. F). The Agreement is for a five up to a five-year term, for a period not to extend past December 31, 2028.

Staff has determined that the current Agreement with Dearborn Life Insurance Company, doing business as Blue Cross Blue Shield of Oklahoma, meets the criteria for the renewal of contracts for goods and services established by the City's policy, and renewal of the Agreement. Estimated Costs reflect total costs. The City pays 100% of all eligible active employee Basic Life and Accidental Death and Dismemberment. Employees pays 100% of all elected Voluntary, Spouse, and Child Life. Retiree Basic Life is 100% paid by the retiree.

Highlights include:

- 1) Rate guarantee for 5 years
- 2) No change in total premium
- 3) No change in plan design or benefit

Staff has reviewed the renewal provisions and believes that the provisions are reasonable and consistent with the original terms for the renewal. Therefore, it is recommended that the Trustees and City Council approve the modified Agreement.

Estimated Cost:

Year 1: \$ 960,000 [OCMFA (\$100,000 employer paid)], \$ 360,000 [OPEBT]

Source of Funds:

OCMFA Services-Risk/Health Care Insurance-Employee Benefits-Group
Term Life (3041-1600450-10016 -52190022)

OPEBT - Other Post Employment Benefits - Post Employment Benefits -
Group Term Life Insurance (5700-1600460-10016- -51100003)

Review:

Human Resources Department

Recommendation: Resolution be adopted.