



MEMORANDUM

OCMFA Agenda
Item No. MFA. F
6/20/2023

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 Excess Workers' Compensation 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 Oklahoma City Municipal Facilities Authority - Risk Workers Compensation Fund.

Background:

On September 22, 1981, the City Council established a Risk Management Policy Statement, which directed the Risk Management Division to prepare the City's insurance specifications and purchase insurance. On April 12, 1983, the City Council approved an agreement between The City of Oklahoma City and the Oklahoma City Municipal Facilities Authority (OCMFA), establishing a Risk Management/Property and Casualty Insurance Administration Agreement, which further defines the administration of the City's insurance coverages.

On July 29, 2014, the City Council approved an amended 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 amended agreement requires that prior to binding and purchasing insurance coverage for a policy or policies which cost exceed \$50,000, the recommended insurance policy or policies shall be presented to the Trustees of OCMFA, and to the City Council for consideration and approval.

On June 1, 2021, the City Council approved an amended 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 amended agreement requires that prior to binding and purchasing insurance coverage for a policy or policies which cost exceed \$100,000, the recommended insurance policy or 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 professional services agreement with McGriff Insurance Services Inc. to provide insurance brokerage services. As part of the services provided, McGriff has identified and has recommended a certain casualty and liability insurance policy for consideration for purchase and binding.

The Finance Director and Risk Manager reviewed the casualty and liability 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 to execute the necessary document to bind coverage under the insurance policies. The following insurance policy is recommended for purchase:

*Excess Workers' Compensation Insurance - covers City and Trust employees for on-the-job-injuries above the City self-insured per occurrence limit of \$2,500,000. It is anticipated after the binding of the coverage that there will be a payroll audit which could result in an additional premium payment.

Carrier: Safety National Casualty Corporation

Estimated Cost:

\$384,775

Term:

July 1, 2023 through June 30, 2024

Source of Funds:

Risk Management Fund - Risk Management Division - Transfer to MFA Workers Compensation (OCITY-285-0465-2800701-59010076)

Review:

Finance

Recommendation: Joint Resolution be adopted.