



MEMORANDUM

OCMFA Agenda
Item No. MFA. E
9/27/2022

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 certain property, casualty and liability insurance coverage for the benefit of The City and its participating public trusts; authorizing and directing the Chairman, or in his absence, the Vice-Chairman of the Authority to execute documents necessary to bind the recommended and approved insurance policies; and authorizing the transfer of funds from the Risk Management Internal Service Fund to the Oklahoma City Municipal Facilities Authority - Risk Management - Property and Casualty Insurance Administration Fund, \$8,213,328, October 1, 2022 through September 30, 2023.

Background:

On June 8, 2021, the City Council renewed the Property and Casualty Insurance Administration Agreement with the Oklahoma City Municipal Facilities Authority (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 cost exceed \$100,000, the recommended insurance policies shall be presented to the Trustees of the OCMFA and to the City Council for consideration and approval (Item No. MFA. D.).

On June 21, 2016, the OCMFA approved a five-year professional services agreement with Alliant Insurance Services (Alliant) to provide insurance brokerage services (Item No. MFA. F.). On June 16, 2020, the OCMFA approved an additional year of professional services agreement with Alliant Insurance Services (Alliant) (Item No. MFA. H.). The current professional services agreement with Alliant ends December 31, 2022.

Alliant has identified and recommended certain property, casualty, and liability insurance policy for consideration for purchase and binding. The recommended policies are described below. Cost associated with each of these identified policies will exceed \$100,000 on an annual basis. The Finance Director and the Risk Manager have reviewed the property, casualty and liability insurance policies marketed through Alliant and recommend that the City Council and Trustees of OCMFA approve the purchase of the policies and authorize the Chairman, or in his absence, the Vice-Chairman to execute the necessary documents to bind coverage under the insurance policies.

The following insurance policies are recommended for purchase:

A. Property Insurance – Covers major City and Trust Owned Buildings, Structures and Contents

General coverage is in the amount of \$500 million per occurrence and is subject to various deductibles and exclusions. The deductible for wind and hail is 2% of the property value of the damaged facility, with maximum of \$10 million per occurrence. The deductible for all other perils is \$500,000.

Carrier: American Guarantee and Liability Insurance Company, an affiliate of the United States Branch of the Zurich Insurance Company

Estimated Premium (Program Cost): \$8,213,238

Estimated Cost:

\$8,213,238

Term:

October 1, 2022, through October 1, 2023

Source of Funds:

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

Review:

Risk Management

Recommendation: Joint Resolution be adopted.