

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1495

By: Smith (David)

AS INTRODUCED

An Act relating to state government; authorizing purchase of certain insurance by Risk Management Administrator; providing conditions; providing specifications; providing for certain limits; requiring payments; providing for criteria; providing procedures; providing for liability; limiting liability of state; defining term; providing for basis of coverage; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 85.34G of Title 74, unless there is created a duplication in numbering, reads as follows:

A. Upon written certification by the Director of Central Services that errors and omissions liability insurance property and casualty insurance for public trust authorities and their employees is not reasonably available in the private market at competitive rates, after taking into account the administrative costs associated with such insurance, the Risk Management Administrator pursuant to Section 85.34 of Title 74 of the Oklahoma Statutes may obtain or provide limited indemnity coverage for public trust authorities and

the employees who are employed by such authorities for any such liability risks arising from the performance of their official duties pursuant to law. Any such certification by the Director of Central Services shall be effective for a period of two (2) years. Any such limited indemnity coverage shall be obtained or provided solely from funds available in the shared risk pool authorized by this section and subject to the limitations set out herein. The Risk Management Administrator shall establish liability limits for such coverage on an annual basis. Any such limits shall be based on the liquidity of the shared risk pool resulting from the annual payments made pursuant to subsection C of this section and any interest accrued thereon, after deduction of such sums as may be necessary to pay all overhead and administrative expenses associated with administering the pool.

B. The Risk Management Administrator is authorized to determine eligibility criteria for participation in the Risk Management Program for such public trust authorities and employees of such authorities. Any limited indemnity coverage provided pursuant to the provisions of this subsection shall only cover any liability occurring after the effective date of this act.

C. All public trust authorities shall be required to make annual payments as determined by the Risk Management Administrator for such indemnity coverage. The Risk Management Administrator is authorized to assess additional payments each year, if the shared risk pool resulting from the payment of the fees made pursuant to this subsection is not adequate to cover any liability incurred.

D. Requests for the indemnity coverage provided pursuant to the provisions of this section shall be submitted in writing to the Risk Management Administrator by the public trust authorities.

E. All fees collected in accordance with the provisions of this section shall be deposited in the Risk Management Participation Revolving Fund.

F. In providing risk management services for public trust authorities or employees of such authorities, it is the intention of the Legislature to provide indemnification of public trust authorities or employees of such authorities, solely to the extent of assets in the shared risk pool created by this section. The State of Oklahoma is not liable, directly or indirectly, for the liability of any public trust authorities or any employees of such authorities in the performance of their official duties pursuant to law. The Risk Management Administrator shall determine the extent of indemnification for losses incurred by any such public trust authorities or employees of such authorities based upon the liquidity of the shared risk pool.

G. For purposes of this section, the term public trust authorities means those entities created pursuant to Sections 176 through 180.56 of Title 60 of the Oklahoma Statutes or pursuant to any other authorization of law.

SECTION 2. This act shall become effective September 1, 1993.

44-1-5901

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