

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

SENATE BILL 1297

By: Bergstrom

AS INTRODUCED

An Act relating to school insurance; amending 74 O.S. 2011, Section 85.58A, as last amended by Section 1, Chapter 244, O.S.L. 2014 (74 O.S. Supp. 2017, Section 85.58A), which relates to comprehensive professional risk management program; authorizing the Risk Management Administrator to utilize certain program; and providing an effective date.

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

SECTION 1. AMENDATORY 74 O.S. 2011, Section 85.58A, as last amended by Section 1, Chapter 244, O.S.L. 2014 (74 O.S. Supp. 2017, Section 85.58A), is amended to read as follows:

Section 85.58A. A. The Office of Management and Enterprise Services shall establish for all state agencies, whether or not subject to The Central Purchasing Act, and other entities as provided by law a comprehensive professional risk management program which shall:

1. Identify and evaluate risks of loss and exposures to loss to officers, employees and properties;

1 2. Minimize risks through loss-prevention and loss-control
2 programs;

3 3. Transfer risks, if economically advantageous to the state,
4 by acquiring commercial insurance, contractual pass through of
5 liability, or by other means;

6 4. Consolidate and administer risk management plans and
7 programs including self-insurance programs, except State Employees
8 Group Insurance;

9 5. Determine feasibility of and, if feasible, establish self-
10 insurance programs, considering whether a program may be self-
11 supporting to remain financially and actuarially sound;

12 6. Provide a system to allocate insurance and program costs to
13 determine payment for insurance coverage and program expenses
14 provided by the Office of Management and Enterprise Services;

15 7. When requested by a state retirement system or the State and
16 Education Employees Group Insurance Board, assist in obtaining
17 insurance authorized by law. If requested by the Oklahoma State
18 Regents for Higher Education, assist trust funds for which the State
19 Regents serve as trustees in obtaining insurance authorized by law;

20 8. Assist state agencies and officers, employees, and members
21 thereof, charged with licensing authority, in obtaining insurance
22 for liability for judgments, based on the licensing authority,
23 rendered by any court pursuant to federal law;

1 9. When requested by a public trust established pursuant to
2 Title 60 of the Oklahoma Statutes of which the State of Oklahoma is
3 the beneficiary, obtain, provide or assist the public trust in
4 obtaining insurance authorized by law or trust indenture covering
5 any board member, trustee, official, officer, employee or volunteer
6 for errors and omissions or liability risks arising from the
7 performance of official duties pursuant to law or trust indenture;
8 and

9 10. When requested by the Oklahoma State Regents for Higher
10 Education, for the purpose of insuring real property required
11 pursuant to Section 4018 of Title 70 of the Oklahoma Statutes, of
12 which the Oklahoma State Regents for Higher Education is the
13 beneficiary, obtain, provide or assist the Oklahoma State Regents
14 for Higher Education in obtaining insurance for the real property
15 pursuant to the provisions of this section.

16 B. The Director of the Office of Management and Enterprise
17 Services may hire or contract for the services of a Risk Management
18 Administrator to supervise the Comprehensive Professional Risk
19 Management Program established pursuant to this section. If
20 appointed by the Director as a state employee, the Risk Management
21 Administrator shall be in the unclassified service.

22 C. The Risk Management Administrator shall evaluate insurance
23 coverage needs and in force for state agencies, whether or not
24 subject to The Central Purchasing Act, and other entities as

1 provided by law. All entities shall submit to the Risk Management
2 Administrator all information which the Risk Management
3 Administrator deems necessary to perform this duty.

4 D. The Risk Management Administrator in conjunction with the
5 State Purchasing Director under the authority of the Director of the
6 Office of Management and Enterprise Services may negotiate insurance
7 coverage and insurance-related services, including, but not limited
8 to, insurance brokerage and consulting services. The State
9 Purchasing Director shall ensure open processes for solicitation and
10 qualification of insurance coverage and services providers. The
11 State Purchasing Director shall award contracts for insurance
12 coverage and services to the provider or providers which offer the
13 best and final terms and conditions. The State Purchasing Director
14 may authorize the Risk Management Administrator to bind for
15 insurance coverage with providers.

16 E. The school districts of this state may request the Risk
17 Management Administrator to advise for the purchase of insurance
18 coverage for the school districts. The Risk Management
19 Administrator is authorized to utilize a program of the Oklahoma
20 Insurance Department for school districts to increase available
21 competing vendors.

22 F. A state agency, whether or not subject to The Central
23 Purchasing Act, that contemplates purchase of property and casualty
24 insurance, shall provide details of the proposed purchase to the

1 Risk Management Administrator for approval or disapproval prior to
2 the purchase.

3 G. The Director of the Office of Management and Enterprise
4 Services shall promulgate rules to effect the provisions of the
5 comprehensive professional risk management program.

6 H. 1. a. Any community action agency established pursuant to
7 Sections 5035 through 5040 of this title may
8 participate in the comprehensive professional risk
9 management program established pursuant to this
10 section for risks incurred as a result of operating a
11 Head Start program or providing transportation
12 services to the public. The Risk Management
13 Administrator shall obtain or provide for insurance
14 coverage for such community action agencies or bonding
15 for employees of such community action agencies. Any
16 liability insurance coverage obtained or provided
17 shall include expenses for administrative and legal
18 services obtained or provided by the Risk Management
19 Administrator.

20 b. The Risk Management Administrator shall determine
21 criteria for participation in the risk management
22 program by such community action agencies. In
23 addition, the Risk Management Administrator may
24 require each such community action agency to:

- (1) provide adequate qualified personnel and suitable facilities and equipment for operating a Head Start program or providing transportation services to the public, and
- (2) comply with such standards as are necessary for the protection of the clients it serves.

2. To receive coverage pursuant to this section, a community action agency shall make payments for any insurance coverage and shall otherwise comply with the provisions of this section and rules promulgated by the Office pursuant to the provisions of this section.

3. Requests for the insurance coverage provided pursuant to the provisions of this subsection shall be submitted in writing to the Risk Management Administrator by the community action agencies.

I. The Risk Management Administrator may provide or obtain for any state agency, public trust with the state as a beneficiary and a director, officer, employee or member thereof, insurance for liability for loss, including judgments, awards, settlements, costs and legal expenses, resulting from violations of rights or privileges secured by the Constitution or laws of the United States of America which occur while a director, officer, employee or member is acting within the scope of service to the State of Oklahoma. The insurance shall be for coverage in excess of the limits on liability established by The Governmental Tort Claims Act but shall not limit

1 or waive any immunities now or hereafter available to the State of
2 Oklahoma or any state agency, any public trust with the state as a
3 beneficiary, or any director, officer, employee or member thereof,
4 including, but not limited to, any immunities under the Eleventh
5 Amendment to the Constitution of the United States, state sovereign
6 immunity, and any absolute or qualified immunity held by any
7 director, officer, employee or member.

8 SECTION 2. This act shall become effective November 1, 2018.

9
10 56-2-2177 CB 1/18/2018 11:50:57 AM
11
12
13
14
15
16
17
18
19
20
21
22
23
24