

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 ENGROSSED SENATE
5 BILL NO. 1559

By: Pugh of the Senate

and

Moore of the House

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9 An Act relating to the Office of Management and
10 Enterprise Services; amending 74 O.S. 2021, Section
11 85.58A, which relates to the state risk management
12 program; excluding certain institutions of higher
13 education from certain definition; prohibiting risk
14 management administrator from directing certain
15 insurance purchase; updating statutory references;
16 and providing an effective date.

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

18 SECTION 1. AMENDATORY 74 O.S. 2021, Section 85.58A, is
19 amended to read as follows:

20 Section 85.58A. A. The Office of Management and Enterprise
21 Services (OMES) shall establish for all state agencies, whether or
22 not subject to the Oklahoma Central Purchasing Act, and other
23 entities as provided by law a comprehensive professional risk
24 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~~ pass-
5 through of 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~~ the Oklahoma Employees Insurance Plan;
- 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~~ Oklahoma Employees Insurance and
17 Benefits Board, assist in obtaining insurance authorized by law. If
18 requested by the Oklahoma State Regents for Higher Education, assist
19 trust funds for which the State Regents serve as trustees in
20 obtaining insurance authorized by law;
- 21 8. Assist state agencies and officers, employees, and members
22 thereof, charged with licensing authority, in obtaining insurance
23 for liability for judgments, based on the licensing authority,
24 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 10. When requested by the Oklahoma State Regents for Higher
9 Education, for the purpose of insuring real property required
10 pursuant to Section 4018 of Title 70 of the Oklahoma Statutes, of
11 which the Oklahoma State Regents for Higher Education is the
12 beneficiary, obtain, provide or assist the Oklahoma State Regents
13 for Higher Education in obtaining insurance for the real property
14 pursuant to the provisions of this section; and

15 11. Authorize the Risk Management Administrator to declare an
16 emergency for the purpose of mitigating damages to any state-owned
17 property insured under the comprehensive professional risk
18 management program administered by OMES.

19 B. For the purposes of this section, "state agency" shall not
20 be construed to include colleges and universities under the
21 authority of the Oklahoma State Regents for Higher Education.
22 Colleges and universities may request the Risk Management
23 Administrator to advise for the purchase of property insurance
24

1 coverage, but the Administrator shall not direct the purchase of
2 property insurance from a specific entity.

3 C. The Director of the Office of Management and Enterprise
4 Services may hire or contract for the services of a Risk Management
5 Administrator to supervise the ~~Comprehensive Professional Risk~~
6 ~~Management Program~~ comprehensive professional risk management
7 program established pursuant to this section. If appointed by the
8 Director as a state employee, the Risk Management Administrator
9 shall be in the unclassified service.

10 ~~C.~~ D. The Risk Management Administrator shall evaluate
11 insurance coverage needs and in force for state agencies, whether or
12 not subject to the Oklahoma Central Purchasing Act, and other
13 entities as provided by law. All entities shall submit to the Risk
14 Management Administrator all information which the Risk Management
15 Administrator deems necessary to perform this duty.

16 ~~D.~~ E. The Risk Management Administrator in conjunction with the
17 State Purchasing Director under the authority of the Director of the
18 Office of Management and Enterprise Services may negotiate insurance
19 coverage and insurance-related services including, but not limited
20 to, insurance brokerage and consulting services. The State
21 Purchasing Director shall ensure open processes for solicitation and
22 qualification of insurance coverage and services providers. The
23 State Purchasing Director shall award contracts for insurance
24 coverage and services to the provider or providers which offer the

1 best and final terms and conditions. The State Purchasing Director
2 may authorize the Risk Management Administrator to bind for
3 insurance coverage with providers.

4 ~~E.~~ F. The school districts of this state may request the Risk
5 Management Administrator to advise for the purchase of insurance
6 coverage for the school districts.

7 ~~F.~~ G. A state agency, whether or not subject to the Oklahoma
8 Central Purchasing Act, that contemplates purchase of property and
9 casualty insurance, shall provide details of the proposed purchase
10 to the Risk Management Administrator for approval or disapproval
11 prior to the purchase.

12 ~~G.~~ H. The Director of the Office of Management and Enterprise
13 Services shall promulgate rules to effect the provisions of the
14 comprehensive professional risk management program.

15 ~~H.~~ I. 1. a. Any community action agency established pursuant to
16 Sections 5035 through ~~5040~~ 5040.1 of this title may
17 participate in the comprehensive professional risk
18 management program established pursuant to this
19 section for risks incurred as a result of operating a
20 Head Start program or providing transportation
21 services to the public. The Risk Management
22 Administrator shall obtain or provide for insurance
23 coverage for such community action agencies or bonding
24 for employees of such community action agencies. Any

1 liability insurance coverage obtained or provided
2 shall include expenses for administrative and legal
3 services obtained or provided by the Risk Management
4 Administrator.

5 b. The Risk Management Administrator shall determine
6 criteria for participation in the risk management
7 program by such community action agencies. In
8 addition, the Risk Management Administrator may
9 require each such community action agency to:

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

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

21 3. Requests for the insurance coverage provided pursuant to the
22 provisions of this subsection shall be submitted in writing to the
23 Risk Management Administrator by the community action agencies.
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1 ~~F.~~ J. The Risk Management Administrator may provide or obtain
2 for any state agency, public trust with the state as a beneficiary
3 and a director, officer, employee or member thereof, insurance for
4 liability for loss, including judgments, awards, settlements, costs
5 and legal expenses, resulting from violations of rights or
6 privileges secured by the Constitution or laws of the United States
7 of America which occur while a director, officer, employee or member
8 is acting within the scope of service to the State of Oklahoma. The
9 insurance shall be for coverage in excess of the limits on liability
10 established by The Governmental Tort Claims Act but shall not limit
11 or waive any immunities now or hereafter available to the State of
12 Oklahoma or any state agency, any public trust with the state as a
13 beneficiary, or any director, officer, employee or member thereof
14 including, but not limited to, any immunities under the Eleventh
15 Amendment to the Constitution of the United States, state sovereign
16 immunity, and any absolute or qualified immunity held by any
17 director, officer, employee or member.

18 SECTION 2. This act shall become effective November 1, 2024.
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20 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated
21 03/26/2024 - DO PASS.
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