



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 11/25/2025

REQUESTER: Clint Mercer

PRESENTER: Clint Mercer, Chief Accountant

ITEM TITLE: CONSIDERATION OF AUTHORIZATION, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF THE PURCHASE OF BUILDINGS AND CONTENTS INSURANCE FOR THE CITY OF NORMAN FROM AFFILIATED FM INSURANCE COMPANY IN THE AMOUNT OF \$766,216 FOR THE PERIOD OF DECEMBER 1, 2025, TO DECEMBER 1, 2026.

BACKGROUND:

The City of Norman self-insures against most risks (i.e., workers' compensation, vehicle/equipment damage, employee health benefit claims, tort claims, etc.) but historically has purchased insurance to cover casualty losses to City buildings and contents (including electronic information technology/computer equipment). This insurance is purchased in a blanket amount but is limited to agreed-upon values of independent buildings and contents and is subject to a deductible.

The City of Norman sent out Request for Proposal number 2122-08 on May 14, 2021 for insurance broker services. Three brokers responded, Arthur J. Gallagher & Co. (Gallagher), Alliant Specialty, and BancFirst Insurance Service, Inc. Gallagher is the incumbent broker the City has used for several years and has provided quality bids and rates in the past. Management has been pleased with their services. The City selected Gallagher.

DISCUSSION:

Gallagher received one bid for the upcoming policy year of December 1, 2025 to December 1, 2026 from Affiliated FM with a premium of \$766,216. Affiliated FM is rated as A+ by A.M Best and is one of the largest property and casualty insurance providers in the industry. The prior year premium was \$741,450 (+3.3%). The blanket amount continues to increase as new City facilities are completed and added to the list of covered City properties. Also, according to Gallagher, the building insurance market continues to be tight.

The FYE 2025 blanket amount of property covered is \$399,719,880.

The City budgeted \$868,000 in the Risk Management Fund, Liability and Property (Account Org 43330104, Object 44403) in Fiscal Year 2025-2026 to pay for building and contents insurance and to cover deductible charges for any potential claims.

RECOMMENDATION:

Staff recommends insuring the City's buildings and contents with Affiliated FM at a premium amount of \$766,216 for one year as it provides the lowest premium for coverage within acceptable deductible limits