



Office of the City Clerk

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Legislation Text

File #: O2020-800, **Version:** 1

OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

February 19, 2020

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY OF
CHICAGO

Ladies and Gentlemen:

At the request of the City Comptroller, I transmit herewith an ordinance amending Section 2-32-031 of the Municipal Code regarding insurance collateral.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours;

Mayor

ORDINANCE

WHEREAS, The City of Chicago is primarily self-insured, meaning that the City chooses to bear the risk for most liabilities itself rather than take out insurance through an insurance company; and

WHEREAS, In certain instances, however, it is financially sensible for the City to procure commercial insurance. One example is insurance to cover aviation-related activities, in light of the heightened risk associated with large-scale airfield and terminal projects and operations at Chicago's airports; and

WHEREAS, The City currently maintains a commercial insurance policy for workers' compensation claims payable from the Chicago Midway Airport Fund and the Chicago O'Hare Airport Fund; and

WHEREAS, An owner-controlled insurance program (OCIP) is a general liability and workers' compensation insurance policy held by a property owner during the construction or renovation of a property, which is typically designed to cover job site risks and protect against liability and loss arising from the construction project; and

WHEREAS, The Comptroller has determined that procuring an OCIP insurance policy for construction and operations at Chicago's airports is in the best interest of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-32-031 of the Municipal Code of Chicago is hereby amended by inserting the text underscored, and by deleting the text struck through, as follows:

2-32-031 Debt management policies; retention of rebate calculation agents, financial advisors, consultants, dissemination agents and qualified independent representatives.

(Omitted text is unaffected by this ordinance)

(g) In connection with the administration of workers' compensation claims payable, per the annual appropriation ordinance[^] from the Chicago Midway Airport Fund and the Chicago O'Hare Airport Fund, and as needed to secure insurance agreements entered into by the Comptroller covering construction and operations at O'Hare International Airport and Chicago Midway International Airport, the Chief Financial Officer ~~chief financial officer~~ is authorized to obtain one or more ~~and enter into any such letter~~ letters of credit[^] ~~or line~~ lines of credit, or tri-party trust agreements (collectively, for purposes of this subsection, "security instruments"), ~~agreement as needed to secure agreements entered into and authorized by the Comptroller, provided~~ Each such letter ~~"of credit or line of credit security instrument, if applicable, shall bear interest at a rate or rates not to exceed seven percent (7%) per annum, and The sum total of all such security instruments shall not exceed an aggregate total of fifty fifteen million (\$50,000,000) (\$15,000,000)~~ dollars. Terms exceeding these limits shall be approved by the City Council.

SECTION 2. This ordinance shall be in full force and effect following due passage and approval.