COUNTY AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, May 10, 2012	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to renew its excess workers compensation insurance and claims service with third party administrator Midwest Employers' Casualty Company for a period beginning July 1, 2012 and ending June 30, 2013; and authorization for the Chairman to execute any contracts and related documents pending approval by the County Attorney.

Background/History/Details:

Fayette County's Workers' Compensation coverage is a "self-insured" arrangement utilizing third parties for excess insurance and claims administration. The County has utilized Midwest Employers Casualty Company for excess insurance and claims service since 2000.
The County switched from Underwriters' Safety and Claims, Inc. to Affinity Service Group on January 1, 2011 as the third party administrator for workers' compensation claims administration.
Atlantic General's broker Quadrant Insurance Managers contacted four excess providers for quotes, Midwest Employers Casualty Company, Safety National Insurance Company, Allianz Insurance Co/ Munich Re, and Chartis/ AIG Insurance Co. All but Midwest refused to quote or indicated they could not match or beat Midwest on coverage or price.

Staff recommends a one year renewal with Midwest for excess insurance with a specific retention of $400,000 at a rate of .2898 per $100 of payroll. This rate reflects an 8% increase over the current rate.
$85,927 = Current rate
$92,761 = New Rate for FY 2013, Option 1

Renewal rate specifics are attached for your review.

What action are you seeking from the Board of Commissioners?

Human Resources is recommending renewal of the contract with Midwest Employers Casualty Company as outlined under Option 1 for a period of one year from July 1, 2012 to June 30, 2013, and requesting Board approval and authorization for the Chairman of the Board to sign any and all necessary documents.

If this item requires funding, please describe:

These funds reside in the Workers' Compensation Self-Insured Fund.

Has this request been considered within the past two years?	Yes	If so, when?	Thursday, June 2, 2011
Is Audio-Visual Equipment Required for this Request?*	No	Backup Provided with Request?	Yes

**** All audio-visual material must be submitted to the County Clerk's Office no later than 48 hours prior to the meeting. It is also your department's responsibility to ensure all third-party audio-visual material is submitted at least 48 hours in advance.***

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Not Applicable	County Clerk's Approval	Yes
Administrator's Approval	Yes		

Staff Notes:

ATLANTIC GENERAL
Underwriters

April 25, 2012

Fayette County BOC

140 Stonewall Ave.

Fayetteville, Ga. 30214

Renewal Information- 2012

Excess Workers Compensation (Stop Loss)

Dear Lori Smith:

Please see the renewal Information concerning Fayette County BOC for the Excess workers compensation policy for 7-1-2012 to 7-1-2013.

P.O. Box 143208 • Fayetteville, GA 30214
770.692.2629 P • 770.719.0902 F • john@atlgen.net • www.atlgen.net

Options:

1) Statutory Limits

   Specific Retention: $400,000

   Employers Liability Limit: $1,000,000

   Employers Liability Retention: $400,000

   Annual Payroll: $34,362,261

   Premium (annual): $89,624.00

   Annual Rate: .2898

   Policy Fee (Inspection): $150.00

   Terrorism (Optional): $2987.00

   Total Premium: $89,774.00 * + Terrorism: $92,761.00

2) Statutory Limits

   Specific Retention: $450,000

   Employers Liability Limit: $1,000,000

   Employers Liability retention: $450,000

   Annual Payroll: $34,362,261.00

   Premium (Annual): $85,016.00

   Annual Rate: .2749

   Policy Fee (inspection): $150.00

   Terrorism (Optional): 2934.00

   Total Premium: $85,166.00 * + Terrorism: $88,000.00

3) Statutory Limits

Specific Retention: $500,000

Employers Liability Limit: $1,000,000

Employers Liability Retention: $500,000

Annual Payroll: $34,362,261.00

Annual Premium: $80,068.00

Annual Rate: .2589

Policy Fee (inspection): $150.00

Terrorism (optional): $2669.00

Total Premium: $80,218.00* + Terrorism: $82,887.00

Please give me a call to discuss the options that I have outlined for you and Fayette County BOC.

I have requested Loss information concerning the Fireman's loss from last year which is still an ongoing issue for Fayette BOC and the Excess Carrier.

Sincerely,

John R. Young, MLIS

President