Consent Agenda #8

COUNTY AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Lewis Patterson
Meeting Date:	Thursday, June 26, 2014	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to renew a contract with Midwest Employers Casualty Company, as outlined in "Option 2", for a period of one year, beginning July 1, 2014 and expiring June 30, 2015, in the amount of $93,116.00, and authorization for the Chairman to sign the contract and related documents.

Background/History/Details:

Fayette County's Workers Compensation coverage is a "self-insured" arrangement utilizing third parties for excess insurance and claims administration. The Sadler Group serves as the broker between the third parties and Fayette County. The County has utilized Midwest Employee 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. The Sadler Group's broker, Quadrant Insurance Managers, contacted the only four provides of this type of coverage in the United States: Midwest Employers Casualty Company, Safety National Insurance Company, Meadowbrooke, and Chartis / AIG Insurance Company. The only quote received from from the County's current carrier, Midwest Employers Casualty Company. The other three either refused to quote or stated they could not match current pricing since it would be a new account for them. It should be noted that this industry only enters into one-year contracts due to the nature of the coverage being provided.

Staff recommends a one-year renewal with Midwest Employers Casualty Company for excess insurance with a specific retention of $550,000.00 at a rate of .2680 per $100 of payroll, at an annual cost of $93,116.00, as listed under Option 2 on the attached backup. This is a slight reduction from the current rate of $98,528.00 which is a result of changing the specific retention from $500,000 to $550,00.00.

What action are you seeking from the Board of Commissioners?

Approval of staff's recommendation to renew a contract with Midwest Employers Casualty Company, as outlined in "Option 2", for a period of one year, beginning July 1, 2014 and expiring June 30, 2015, in the amount of $93,116.00, and authorization for the Chairman to sign the contract and related documents.

If this item requires funding, please describe:

Funds are available in the Workers Compensation Self-Insurance Fund.

Has this request been considered within the past two years?	Yes	If so, when?	Thursday, June 13, 2013
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	
Approved by Purchasing	Not Applicable	County Clerk's Approval	Yes
Administrator's Approval			

Staff Notes:

Similar to last year's request, this request is budgeted and is under the County Administrator's authority to approve. However, since there was only one vendor who responded, the County Administrator felt it prudent to bring this matter up in a public meeting for full disclosure and for the Board of Commissioners approval.

THE SADLER GROUP
INSURANCE & BENEFITS

June 4, 2014

Lewis Patterson
Lori Smith
Fayette County BOC
140 Stonewall Avenue
Fayetteville, GA 30214

Re: Renewal Information 2014 – 2015
Excess Workers Compensation (Stop Loss)

Dear Mr. Patterson & Ms. Smith:

Please see the renewal information concerning Fayette County BOC for the Excess Workers Compensation policy for 7/1/2014 – 7/1/2015.

Regards,

John R Young

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INSURANCE & BENEFITS

Option:

1) Statutory Limits

Specific Retention:	$ 500,000.00
Employers Liability Limit:	$ 1,000,000.00
Employers Liability Retention:	$ 500,000.00
Annual Payroll:	$ 1,272,835.00
Premium (annual):	**$ 98,577.00**
Annual Rate:	.2927
Policy Fee (Inspection):	$ 150.00
Terrorism:	**$ 2,957.00**
Total Premium:	**$ 101,684.00**

2) Statutory Limits

Specific Retention:	$ 550,000.00
Employer Liability Limit:	$ 1,000,000.00
Employee Liability Retention:	$ 500,000.00
Annual Payroll:	$ 1,272,835.00
Premium (annual):	**$ 90,258.00**
Annual Rate:	.2680
Policy fee (inspection):	$ 150.00
Terrorism:	**$ 2,708.00**
Total Premium:	$ 93,116.00

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INSURANCE & BENEFITS

3) Statutory Limits

Specific Retention:	$ 600,000.00
Employer Liability Limit:	$ 1,000,000.00
Employee Liability Retention:	$ 500,000.00
Annual Payroll:	$ 1,272,835.00
Premium (annual):	**$ 83,051.00**
Annual Rate:	.2466
Policy fee (inspection):	$ 150.00
Terrorism:	**$ 2,492.00**
Total Premium:	**$ 85,693.00**

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