COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, April 22, 2010	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to renew its agreement for excess Workers' Compensation insurance and claims service with Midwest Employers Casualty Company for one year.

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 and Underwriters' Safety and Claims, Inc. for claims administration since 2000. The County renewed its agreement with Underwriters last year for two years so NO RENEWAL WITH UNDERWRITERS is needed this year. However, renewal with Midwest is needed this year.

Staff recommends a one year renewal with Midwest Employers Casualty Company at a rate of .1877 per $100 of payroll. This rate reflects a 6.7 % increase over the current rate:
$ 59,927.00 = Current rate
$ 64,157.00 = New rate for FY 2010

Since the County's agreement with both these providers will be up for renewal next year, staff plans to conduct a thorough analysis of the County's overall WC situation and to explore all options available to the County at that time.

This item was discussed with the Board at its April 7 Workshop Meeting.

What action are you seeking from the Board of Commissioners?

Approve staff's recommendation to renew the County's agreement with Midwest Employers Casualty Company for a period of one year for Workers' Compensation excess insurance and claims service.

If this item requires funding, please describe:

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

Has this issue come before the Commissioners in the past?	Yes	If so, when?	Wednesday, April 7, 2010
Do you need audio-visual for the presentation?	No	Back-up Material Submitted?	Yes

STAFF USE ONLY

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

Staff Notes:

Fayette County GEORGIA

Where Quality Is A Lifestyle

To: Board of Commissioners
Jack Krakeel, County Administrator

From: Connie Boehnke

Date: March 21, 2010

Subject: Workers' Compensation Insurance Renewal

Attached is a copy of the proposed renewal for excess workers' compensation coverage and claims service with Midwest Employers Casualty Company. Fayette County utilizes Midwest for excess insurance and claims service and Underwriters Safety & Claims, Inc. for claims administration. Fayette County entered into a two year agreement with Underwriters in 2009.

Midwest Employers Casualty Company has been providing excess insurance and clams service for Fayette County since 2000. Human Resources is recommending renewing for a one year contract at a rate of .1877 per $100 of payroll, which reflects an overall increase of 6.7%. Self-insured retention will be the same as current levels at $350,000 for all employees. The service period is from July 1, 2010 to June 30, 2011.

Over the long term, Fayette County's experience with workers' compensation claims has been very good. During the coming year, Human Resources will conduct a thorough analysis of the overall workers' compensation insurance experience for the County and research renewal options to present to the Board in 2011.

UNDERWRITERS SAFETY & CLAIMS, INC.

FAYETTE COUNTY BOARD OF COMMISSIONERS

SPECIFIC EXCESS INSURANCE
JULY 1, 2010 TO JULY 1, 2011

CURRENT TERMS — July 1, 2009 to July 1, 2010

Carrier: Midwest Employers Casualty Company

Specific Limits:	Statutory	Workers' Compensation, except Aircraft $ 2,000,000 per person $10,000,000 policy limit
	$2,000,000.	Employers Liability
	$ 350,000.	Self-Insured Retention
Estimated Payroll:	$34,069,029	Annual
Rate:	.1759	Per $100 Payroll
Deposit Premium:	$59,927	($53,935 Minimum)
Surcharge:	2% Georgia Insurers Insolvency Pool $1,198.54 Annual Surcharge	

RENEWAL TERMS

Carrier: Midwest Employers Casualty Company

Specific Insurance:	Statutory	Workers' Compensation, except Aircraft $ 2,000,000 per person $10,000,000 policy limit
	$2,000,000.	Employers Liability
	$ 350,000.	Self-Insured Retention
Estimated Payroll:	$34,180,684	Annual
Rate:	.1877	Per $100 Payroll
Deposit Premium:	$64,157	($57,741 Minimum)
Surcharge:	No Surcharge this year	

OPTIONS

Term	Rate	SIR	Deposit Premium
1 Year	.1670	$400,000 All Employees	$57,082
1 Year	.1743	$350,000 All Employees except $400,000	$59,577
		Police, Fire	
		Street & Road Employees	