COUNTY AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, June 14, 2012	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to amend the one-year contract renewal for the period July 1, 2012 to June 30, 2013 with Midwest Employers Casualty Co. for excess workers' compensation insurance and claims service to reflect a net premium increase of $6,971 due to a premium calculation error and to authorize the Chairman to sign any agreements contingent upon the County Attorney's review.

Background/History/Details:

At the May 10, 2012 meeting the Board of Commissioners approved 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 in the annual amount of $92,761. In the attached backup material, John Young with the County's broker, Atlantic General Underwriters, explains that a premium calculation error was made by the carrier. The net difference of $6,971 is due to exposure through the use of the County's helicopter and the increased trending with workers compensation products in the insurance industry. The corrected annual rate for Option I will be $99,732.

What action are you seeking from the Board of Commissioners?

Human Resources is recommending approval of the contract renewal with Midwest Employers Casualty Company as outlined under Option 1 for a period of one year from July 1, 2012 to June 30, 2013, reflecting the amended annual rate of $99,732 and requesting Board approval and authorization for the Chairman of the Board to sign any and all necessary documents contingent upon the County Attorney's review.

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, May 10, 2012
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		Reviewed by Legal	
Approved by Purchasing	Not Applicable	County Clerk's Approval	Yes
Administrator's Approval	Yes		

Staff Notes:

ATLANTIC GENERAL
Underwriters

May 21, 2012

Fayette County BOC
140 Stonewall Ave.
Fayetteville, Ga. 30214

Dear Connie Boehnke:

Per our meeting of May 18, 2012 with you, Lori and Lewis, please allow this letter to serve as a correction letter to the previous Quotation for the Excess Workers Compensation Renewal from Atlantic General Underwriters, Inc and Midwest Employers Casualty Company. Once again, I apologize for the mistake in the calculations for the renewal; please see the attached summary of the options afforded to Fayette County BOC by MECC.

As discussed the $400,000 self retained option is the one that has been chosen. The difference in the pricing is a net $6,971.00 difference from the original pricing model and this is due to the increased exposure generated by the use of the County's helicopter and increased trending for Workers Compensation within the Insurance Industry.

I have discussed the above issue with Mr. Jack Krakeel on May 18, 2012 and explained the error and advised him, that I would be writing is letter.

Thank you for your understanding and once again apologize for the error in the calculations.

Sincerely,

John R. Young
President,

Atlantic General Underwriters, Inc.

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

ATLANTIC GENERAL
Underwriters

May 21, 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): $99,582.00

   Annual Rate: .2898

   Policy Fee (Inspection): $150.00

   Terrorism: Included

   Total Premium: $99,732.00

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): $94,462.00

   Annual Rate: .2749

   Policy Fee (inspection): $150.00

   Terrorism: Included

   Total Premium: $94,612

Specific Retention: $500,000

Employers Liability Limit: $1,000,000

Employers Liability Retention: $500,000

Annual Payroll: $34,362,261.00

Annual Premium: $88,964.00

Annual Rate: .2589

Policy Fee (inspection): $150.00

Terrorism: Included

Total Premium: $89,114.00

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

INVOICE

Atlantic General Underwriters Inc
101 Devant Street Suite 503
Fayetteville, GA 30214
(770) 692-2629
Fax - (770) 719-0902

Send To

Fayette County BOC
140 Stonewall Avenue West

Fayetteville, GA 30214

Invoice #	Date
48	05/21/12

Date	Policy Number	Company	Coverage	Description	Debit	Credit	Due Date
07/01/12	EWC006548	Midwest Emloy	Workers Comp	Annual Premium	$99,582.00		
				Policy Fee	$150.00		

Balance = $ 99,732.00

NOTES

Date Of Invoice Due Is 07/01/2012 Terrorism Coverage Is Included Please make check payable to Atlantic General Underwriters, Inc.

Remit To

Atlantic General Underwriters Inc
101 Devant Street Suite 503
Fayetteville, GA 30214