



COUNTY ADMINISTRATOR  
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TO: Barbara Levin Bergman  
Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel  
County Administrator

FROM: R. L. Beeckman, Risk Management Consultant  
Diane Heidt, Human Resources / Labor Relations Director  
Monica L. Boote, Human Resources Operational Director

DATE: Worker's Compensation Excess Insurance Coverage for 2008-2009

SUBJECT: January 23, 2008

**BOARD ACTION REQUESTED:**

It is requested that the Washtenaw County Board of Commissioners accept the offer for excess insurance coverage for Workers' Disability Compensation Program for the 2008-09 period.

**BACKGROUND:**

On February 1, 2008, the existing excess worker's compensation insurance contract for Washtenaw County's Workers Compensation program will expire. The County, through R. L. Beeckman & Company, its Risk Management Consultant and Diane Heidt, Human Resources/Labor Relations Director, received two Excess Workers' Compensation Insurance bids through Arthur J. Gallagher Risk Management Services, Inc.

After careful review of the bid and the current needs of the County, it has been determined that the excess insurance coverage be renewed with Safety National at the following level of coverage:

Insurer – <b>Safety National.</b>	<u>2/08 – 02/09</u>
Specific excess insurance above \$400,000	<u>\$46,277</u>

Total Cost for February 2008 through January 2009: \$46,277

\*Current Request for Proposal was for a one-year proposal on the excess insurance coverage in order to ensure an appropriate vendor pool, in addition to the estimated nature of payroll expenses in relation to workers' compensation costs. Please note final premium calculations will be adjusted based on actual payroll figures, as estimated payroll figures are used in creating the premium calculation.

\*\*Note that the specific loss retention rate increased from \$375,000 to \$400,000 without any increase in cost from last year.

**DISCUSSION:**

The insurance coverage will be used to protect the County from certain worker's compensation losses that may arise over the next year.

The contract for excess insurance will be in effect from February 1, 2008 through January 31, 2009. During this period, a formal request for proposal will be conducted in association with a request for proposal for Third Party Administration services.

Safety National is the incumbent provider, and therefore the County will experience no change in claim services or contact personnel.

**IMPACT ON HUMAN RESOURCES:**

None

**IMPACT ON BUDGET:**

There will not be an impact on the budget. The County's premium cost will remain at the same level as in the previous contract period due to the increase in the specific loss retention rate from \$375,000 to \$400,000. Without this change, the premium costs for the 2008-09 period would be substantially higher.

**IMPACT ON INDIRECT COSTS:**

None

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

There will be no impact on other County departments or outside agencies.

**CONFORMITY TO COUNTY POLICIES:**

This request conforms to County policy.

A RESOLUTION ACCEPTING AN OFFER FOR EXCESS INSURANCE COVERAGE FOR WORKER'S DISABILITY COMPENSATION FOR THE 2008-2009 PERIOD

WASHTENAW COUNTY BOARD OF COMMISSIONERS

January 23, 2008

WHEREAS, the present contract for excess insurance for the County's Workers' Compensation Program expires January 31, 2008; and

WHEREAS, the proposals have been received and reviewed by the County Administrator's Office and the Department of Human Resources; and

WHEREAS, after review of the proposals, recommendations have been made to renew the excess insurance with Safety National for the period February 1, 2008 through January 31, 2009; and

WHEREAS, a request for proposal will be issued for excess insurance as well as third party administration services during 2008; and

WHEREAS, the recommendation is to purchase statutory \$400,000 specific excess insurance; and

WHEREAS, this matter has been reviewed by the Finance Office, Corporation Counsel, County Administrator's Office and Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the Administrator to sign the contract with Safety National for the renewal of excess insurance coverage for Washtenaw County's Workers' Compensation Program for the period February 1, 2008 through January 31, 2009:

02/08 – 01/09

Insurer – Safety National  
Specific excess insurance above \$400,000

\$46,277

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