



COUNTY ADMINISTRATOR
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TO: Conan Smith
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: March 4, 2009

SUBJECT: Worker's Compensation Excess Insurance Coverage for
2009-2010

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 2009-10 period.

BACKGROUND:

On February 1, 2009, the existing excess worker's compensation insurance contract for Washtenaw County's Workers Compensation program expired. 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 quotes through Arthur J. Gallagher Risk Management Services, Inc.

After careful review of the quotes 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:

	<u>2/1/09 – 1/31/10</u>
Insurer – Safety National	
Specific excess insurance above \$400,000	<u>\$52,218</u>
Total Cost for February 2009 through January 2010:	\$52,218

*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.

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, 2009 through January 31, 2010 during which time 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:

There will be no impact on Human Resources.

IMPACT ON BUDGET:

There will be a very minor impact on the budget based on the actual expenditures for the period February 1, 2009 through January 31, 2010, as there will be a slight cost increase of \$5,941 from the previous contract period.

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 2009-2010 PERIOD

WASHTENAW COUNTY BOARD OF COMMISSIONERS

March 4, 2009

WHEREAS, the present contract for excess insurance for the County's Workers' Compensation Program expired on January 31, 2009; 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, 2009 through January 31, 2010; and

WHEREAS, a request for proposal will be issued for excess insurance as well as third party administration services during 2009; 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 the 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, 2009 through January 31, 2010:

2/1/09 – 1/31/10

Insurer – Safety National	
Specific excess insurance above \$400,000	<u>\$52,218</u>
Total Cost for February 2009 through January 2010:	\$52,218

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