

Memorandum

To: Cynthia Mares, Director of Administration Services
From: Roger Garza, Consultant and LRM
Date: September 15, 2016
Re: Property Casualty and Workers Compensation Renewal

I received a copy of the proposed Property Casualty renewal offer from One Beacon Government Risk (OBGR) and Wells Fargo Insurance Agency for plan year 2016-2017. The renewal offer of \$704,533 is the final year of a 2 year offer with a flat rate that was proposed and accepted by the insurance committee in May of 2015 for the 2015-2017 budget years. The original offer assumed a cap on any increases to a maximum if the exposure liabilities remains the same for plan year 2016-2017. OBGR is proposing an additional option that would increase the liability and professional coverage retention level from \$50,000 to \$75,000 and reduce the premium by approximately \$35,000. I recommend this offer since the county's liability has only exceeded the \$50,000 to \$75,000 threshold once since 2008.

We also received a renewal offer for Storage Tanks and errors and omissions from McGriff, Seibel's and Williams for 2016-2017. The renewal proposed is approximately 4% above prior year and represents an annual premium of \$25,616.35 which is acceptable as proposed with the same terms and conditions as prior year.

In Addition, the Workers' Compensation Third Party Administrator, Alternate Services Concepts (ASC), agreement will also need to be renewed as well. This is not part of the P&C offer and is independent of OneBeacon and Wells Fargo. However, we are in the process of entering the 3rd and final year of the 3-year service agreement for an annual premium of \$46,312.56 which represents a 3% increase from prior year.

I recommend a renewal of the final year for Property & Casualty as offered by OBGR with the option to increase the retention amounts to \$75,000, the Storage Tanks/Errors and Omissions renewal with McGriff, Seibel's and Williams and the Third Party Administration agreement with Alternative Services Concepts to administer the Workers' Compensation self-insured program.

See Attachment