

**Indian River County
Interoffice Memorandum
Office of Management and Budget**

To: Members of the Board of County Commissioners

Date: September 22, 2022

From: Cynthia Stanton
Risk Manager, Office of Management & Budget

Subject: Third Party Claims Administration Agreement with Johns Eastern Co.
Funding Allocation for Fiscal Year 2022/23

Description and Conditions

The County's self-insurance program relies upon the services of a third-party claims administrator to analyze and process workers' compensation and third-party liability claims made against the County in accordance with State and Federal guidelines. Since February 2005 Johns Eastern Company, Inc. (JEC), a leading firm in their industry, has consistently provided outstanding services and their longevity with the County brings both stability and historic knowledge to the County's self-insurance program.

The current agreement began on October 1, 2019 and expired on October 1, 2022. Beginning October 1, 2022, the agreement can be extended for two (2) additional single year terms. The proposed extension agreement continues with prior terms and conditions and includes a three (3) percent cost increase of \$6,956 for a total annual cost of \$238,811 for FY23. This annual increase is consistent with earlier agreements and provides a detailed scope of services and performance standards.

Funding

Funding for claims administration services is provided by the Self Insurance Fund, Other Professional Services account (account number 50224613-033190). The Self Insurance Fund is an internal service fund that allocates charges to the County's user funds.

Recommendation

Staff recommends the Board authorize the Chair to execute the extension agreement after review and approval by the County Attorney's Office with an annual renewal cost of \$238,811, and a three (3) percent annual increase for the following fiscal year

Attachment

JEC Extension Agreement