

Indian River County, Florida  
Memorandum

**TO:** Jason Brown, County Administrator  
**THRU:** Kristin Daniels, Director, OMB  
**FROM:** Beth Martin, Risk Manager  
**DATE:** June 10, 2019  
**SUBJECT:** Third Party Claims Administration Services

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Please consider the following for inclusion on the June 18, 2019 Board of County Commissioners' agenda.

**Background**

The County's modified 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. Since February 2005 Johns Eastern Company, Inc. (JECO) has provided these services. As in the past, Siver Insurance Consultants reviewed the current agreement, claims count and payments for the past three (3) years. Following the review, Siver assisted the County with negotiation of a renewal agreement.

**Analysis**

The proposed agreement continues with prior terms of a flat rate agreement with three (3) percent cost increases annually. This annual increase is consistent with earlier agreements and provides detailed scope of services and performance standards. The proposed agreement begins on October 1, 2019 at an annual cost of \$218,545.00. On October 1, 2020 the annual price becomes \$225,102.00 and on October 1, 2021 it is \$231,855.00, or a three (3) percent annual increase. Beginning October 1, 2022 the agreement can be extended for two (2) additional years upon mutually acceptable terms. JECO, a leading firm in their industry, has consistently provided outstanding services on behalf of the County and their longevity with the County brings both stability and historic knowledge to the renewal.

**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 that the Board authorize the Chair to execute the agreement after review and approval by the County Attorney's Office with an initial annual cost of \$218,545.00, three (3)

percent annual increases for the following two (2) fiscal years, and the option to renew upon mutually agreeable terms for an additional two (2) years.