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June 4, 2019

Ms. Beth Martin
Risk Manager
Indian River County Board of County Commissioners
1800 27th Street
Vero Beach, FL 32960

Subject: Recommendation – JECO Agreement Renewal

Dear Ms. Martin:

Siver Insurance Consultants (Siver) is pleased to provide Indian River County (the County) with our recommendation regarding the September 30, 2019 expiration of the Agreement between the County and Johns Eastern Company (JECO) for workers' compensation and third party liability claims management services.

BACKGROUND

JECO has been the claims administrator for the County since approximately 2005. In 2016, Siver performed a detailed review of JECO's claims handling and recommended continuation of the agreement with them at that time.

This year, we have reviewed your claims counts and payment for the last three years. We have also discussed JECO's services with you to determine your level of satisfaction with the quality of their claims handling and service.

Based upon our review, we recommend that the County continue to utilize JECO for claims administration services for the Workers' Compensation and Third Party Liability claims.

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RECOMMENDATION

We recommend that the County continue their relationship with JECO. Our recommendation is based upon the following factors:

- JECO has agreed to annual flat fees of:
 - 2019/2020 \$218,545
 - 2020/2021 \$225,102
 - 2021/2022 \$231,855

This represents a 3% increase for each year. It is our opinion that this is reasonable in today's market and based upon the quality of service and staffing provided by JECO.

- JECO has agreed to Agreement terms which include annual flat fees, a detailed scope of services and detailed performance standards.
- Members of the JECO staff (adjusters, supervisors and management) who handle the County's claims, have been working with the County for many years. This knowledge of past events is valuable.

CLOSING

We appreciate the opportunity to provide the County with our opinion. If you have any questions or need any additional information, please let us know.

Respectfully,

SIVER INSURANCE CONSULTANTS



Kathy Gordon, ARM, AAI
Vice President