

**THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**

**FINANCIAL SERVICES DEPARTMENT**

M\_E\_M\_O\_R\_A\_N\_D\_U\_M

TO: Mitsi Corcoran, Chief Financial Officer  
FROM: Lynn Peterson, Risk Manager  
DATE: April 18, 2013  
SUBJECT: Agreement for Workers' Compensation Claims Services

**BACKGROUND**

The current agreement with *Comp Options Insurance Company, Inc.*, (Comp Options) for claims administration services will reach the end of the five (5) year rate guarantee on July 1, 2013. The expiring agreement was the result of the school district, Sarasota County Government and the City of Sarasota entering into direct negotiations with Comp Options.

On June 6, 2012, Sarasota County Government issued a Request for Proposal (RFP) for Workers' Compensation Third Party Administration Services. The RFP was almost exactly the same as the School Board of Sarasota County and Sarasota County Government's expiring program except it included Annual Performance Standard Reviews. Failure to perform at or above the levels for the Performance Reviews would result in financial penalties (based on the agreed percentage) of the amount that was charged by the Administrator for the performance period. In addition, Sarasota County Government requested a total annual fixed fee for 3 years. Sarasota County Government awarded the incumbent, Comp Options Insurance Company, the contract.

**RENEWAL**

Sarasota County School Board entered into direct negotiations with Comp Options using Sarasota County Government's 2012 RFP contract. The contract was edited slightly for terminology and policy custom to the Sarasota County School Board, as well as the fee structure.

The renewal agreement effective July 1, 2013 calls for an 11% decrease in the annual fee to \$200,000. The fee will increase by 3% annually for each of the following two (2) years. The district can terminate the agreement with 60 days notice at anytime. The annual service fee will be scheduled as follows:

Contract Period	Annual Fee
7/01/2013 - 6/30/2014	\$200,000
7/01/2014 - 6/30/2015	\$206,000
7/01/2015 - 6/30/2016	\$212,000

RECOMMENDATION

I recommend that the district renew the service agreement with Comp Options. They have provided exemplary service and have been a major factor in the financial success of the district self-funded workers' compensation program. Their claims administration combined with the district return-to-work program and Triage Unit has resulted in an average decrease of 29% total incurred claims over the last 5 years.

If you have any questions, please let me know.

Attachments