

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: Bert Palmer, Risk Manager
DATE: April 21, 2008
SUBJECT: Third Party Liability Claims Adjusting Services

The district agreement with *Johns Eastern Company, Inc.*, (Johns Eastern) for claims adjusting services will reach the end of the five (5) year rate guarantee on July 1, 2008. Johns Eastern has agreed to provide the district with another five (5) year rate guarantee to provide claims adjusting services for our self-funded general and auto liability programs. The new rate guarantee will be for the period July 1, 2008 through June 30, 2013. All of the other terms and conditions of the existing service agreement will remain the same. The following is a summary of the expiring Johns Eastern assignment fees and cost:

Auto Liability Assignments, as of 4/18/2008

Claim Period	Claim Assignments	Johns Eastern Fee	Total Cost
2003-2004	19	\$650	\$12,350.00
2004-2005	21	\$685	\$14,385.00
2005-2006	20	\$725	\$14,500.00
2006-2007	26	\$760	\$19,760.00
2007-2008	14	\$800	\$11,200.00
Totals	100		\$72,195.00

General Liability Assignments, as of 4/18/2008

Claim Period	Claim Assignments	Johns Eastern Fee	Total Cost
2003-2004	23	\$725	\$16,675.00
2004-2005	19	\$760	\$14,440.00
2005-2006	18	\$815	\$14,670.00
2006-2007	26	\$855	\$22,230.00
2007-2008	17	\$900	\$15,300.00
Totals	103		\$83,315.00

RENEWAL

The new assignment fee structure calls for a 3% increase the first year and each subsequent year of the agreement. The assignment fee is per occurrence, regardless of the number of claims included in the assignment. The proposed fees are as follows:

Claim Period	Auto Liability Fee	General Liability Fee
2008-2009	\$824	\$927
2009-2010	\$849	\$955
2010-2011	\$874	\$984
2011-2012	\$900	\$1,014
2012-2013	\$927	\$1,044

RECOMMENDATION

The agreement grants the district the right to cancel at anytime with 90 days notice without penalty or additional cost. The total cost of the agreement is driven by the number of assignments we make to Johns Eastern. There is no minimum or maximum number of assignments called for in the agreement.

I strongly recommend that the district renew its agreement with Johns Eastern Company, Inc. Johns Eastern has a depth of knowledge and experience with the Florida Sovereign Immunity Law and Florida governmental entities in general. They have been highly dependable, professional and timely with their reporting. They have been a major factor in the savings the district has realized by self-funding its Auto Liability and General Liability programs.

If you have any questions or need additional information, please let me know.

Attachment (1)