

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: 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 June 30, 2013. 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, 2013 through June 30, 2018. 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 4/18/2013

Claim Period	Claim Assignments	Johns Eastern Fee	Total Cost
2008-2009	30	\$824.00	\$24,720.00
2009-2010	13	\$849.00	\$11,037.00
2010-2011	18	\$874.00	\$15,732.00
2011-2012	17	\$900.00	\$15,300.00
2012-2013	1	\$927.00	\$927.00
Totals	79		\$67,716.00

General Liability Assignments, as of 4/18/2013

Claim Period	Claim Assignments	Johns Eastern Fee	Total Cost
2008-2009	18	\$927.00	\$16,686.00
2009-2010	15	\$955.00	\$14,325.00
2010-2011	11	\$984.00	\$10,824.00
2011-2012	15	\$1,014.00	\$15,210.00
2012-2013	9	\$1,044.00	\$ 9,396.00
Totals	68		\$66,441.00

RENEWAL

The new assignment fee structure calls for a 0% increase the first and second years. There will be a 2.7% increase for each year after the second year. 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
2013-2014	\$927	\$1,044
2014-2015	\$927	\$1,044
2015-2016	\$952	\$1,071
2016-2017	\$977	\$1,099
2017-2018	\$1,002	\$1,128

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)