



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: May 7, 2018

Re: Third Party Claims Administrator Agreement

## Executive Summary

Authorizes the City Manager to enter into an agreement with Brentwood Services Administrators, Inc. for the purpose of providing Third Party Claims Administrative Services to the City of Columbia for automobile and property damage, automobile liability, public officials' liability, general liability, and workers' compensation claims.

## Discussion

The State of Missouri approved the City of Columbia's request to be a self-insured entity. Reports are filed and reviewed annually by the state in order for the city to continue being a self-insured employer for workers' compensation.

Administration of the workers' compensation claims requires qualified and licensed staff in order to administer claims processing, as required by Chapter 287 RSMo. The Finance Department's Risk Management office does not have the staffing capacity or required licensures to administer the program, therefore, a third party administrator licensed to handle such claims in the State of Missouri is utilized.

The City's current third party administrator's parent company has recently filed for Chapter 11 which has caused concern for the Finance Department, especially as it relates to the workers' compensation self-insurance program. Therefore, the Department sent out an RFP to secure a new third party administrator so that claims can be converted timely and without interruption or violation of Chapter 287 RSMo.

## Fiscal Impact

Short-Term Impact: \$302,000 for base services plus \$6.00 per bill review and a maximum of 24% of additional savings obtained. The cost above base will vary based on number and types of claims.

Long-Term Impact: \$453,000 for base services plus \$6.00 per bill review and a maximum of 24% of additional savings obtained. The cost above base will vary based on the number and types of claims.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Operational Excellence, Secondary Impact: Infrastructure, Tertiary Impact: Public Safety



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

## [Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History	
Date	Action
03/07/1988	R27-88 Resolution authorizing preparation of documents for provision of self-insurance coverage and self-insurance financing.
05/16/1988	B 136-88 Ordinance authorizing the issuance of Special Obligation Taxable Insurance Reserve Bonds and execution of documents implementing the self-insurance program.
07/05/1989	B197-89 Ordinance authorizing the agreement with Gallagher Bassett for liability, property and workers' compensation self-insurance program.
05/02/1994	R88-94 Resolution authorizing the Finance Director to negotiate the structure of the financing of self-insurance (employee life program) program bonds.
10/20/1997	B278-97 Ordinance amending Chapter 2 of the City Code to add article XI to codify the terms of the City's self-insurance program, a new article XI of Chapter 2 of the Code of Ordinances of the City of Columbia is enacted.

## Suggested Council Action

Staff recommends Council approve the resolution authorizing the City Manager to execute a new services agreement with Brentwood Services Administrators, Inc.