

# 2013 INSURANCE PROPOSAL

---



# HYLANT

## City of Ann Arbor

Excess Workers' Compensation

► PRESENTED BY:



**WILLIAM C. LYLE**

Client Executive

**NANCY J. MELDRUM**

Client Service Manager

June 11, 2013

# DISCUSSION ITEMS

---



1. Carrier AM Best Rating: "A-" (Excellent) X
2. Payment Plan: Billed in full, by Accident Fund
3. Marketing Results:
  - a. Travelers – declined due to size
  - b. Safety National – estimated premium \$80K, \$500K retention
  - c. Midwest Employers – estimated premium \$79K, \$500K retention/\$71K , \$550K retention
  - d. ARCH - \$100K minimum premium, \$500K minimum retention (\$750K for police and fire)
  - e. AIG - \$100K minimum premium, \$500K minimum retention
4. TRIA Terrorism: Included
5. TPA service
  - a. Compone Administrators is the only TPA provider for Accident Fund
  - b. Compone nurse case management services – any further concerns?
6. Claim reporting reminder - to preserve your rights under your insurance policies, all accidents and incidents should be documented and reported promptly. Are claims reported directly to Medicare are required by law?

Hylant Disclaimer / Confidentiality Statement: The information and concepts provided throughout this document are not intended to express any legal opinion as to the nature of coverage. They are intended to provide a basic understanding of coverages but do not alter any policy conditions. Always refer to your policy(s) for specific coverages, limitations, and restrictions. Any information and concepts outlined are solely for your internal evaluation. No other use or distribution of these documents is permitted or authorized. All Hylant documents are subject to our record retention policy. Please refer to our website at [www.hylant.com](http://www.hylant.com) for a complete listing of all document types and retention periods for any documents stored within the Hylant organization.

# EXCESS WORKERS COMPENSATION

---



**NAMED INSURED:** City of Ann Arbor  
**INSURANCE COMPANY:** Accident Fund Ins Co of America  
**POLICY TERM:** 7/1/2013 to 7/1/2014

POLICY	2012-13	2013-14
Deposit Premium	\$42,893	\$56,192
Annual Minimum Premium	\$37,746	\$55,000
Rate as % of \$100 Payroll	\$0.863	\$0.110
Estimated Payroll	\$49,696,354	\$51,033,935
Specific Limit	Statutory	Statutory
Retention	\$400,000	\$400,000
Employers Liability Limit	\$1,000,000	\$1,000,000
Employers Liability Retention	\$400,000	\$400,000
Policy Limit	\$5,000,000	\$5,000,000
Annual Aggregate Retention	\$1,600,000	\$1,600,000
Loss Limitation	\$400,000	\$400,000

## COVERAGE TERMS:

The estimated and minimum premium will adjust to the Actual Payroll at the year-end audit

Covered state: Michigan

Cancellation provision: 60 days notice

Hylant Disclaimer / Confidentiality Statement: The information and concepts provided throughout this document are not intended to express any legal opinion as to the nature of coverage. They are intended to provide a basic understanding of coverages but do not alter any policy conditions. Always refer to your policy(s) for specific coverages, limitations, and restrictions. Any information and concepts outlined are solely for your internal evaluation. No other use or distribution of these documents is permitted or authorized. All Hylant documents are subject to our record retention policy. Please refer to our website at [www.hylant.com](http://www.hylant.com) for a complete listing of all document types and retention periods for any documents stored within the Hylant organization.

# TPA SERVICES – COMPONE ADMINISTRATORS



## CLAIMS MANAGEMENT SERVICES:

Services:	Term:	2011-13 Charge:	2013-15 Charge:
Annual Service Fee	2 year contract	\$24,169 Annual	\$28,000 Annual (based on manual premium)
Risk Management Loss control services	16 hours included	Same, additional available at \$125/hr.	Additional available at \$135/hr.
ISO indexing	Per Inquiry	\$8.55 per claim	\$8.95 per claim
Case Management	Ongoing	\$88.00 per hr.	\$89.00 per hr.
Utilization Review ManageAbility (peer review)	Ongoing	\$88.00 per hr.	\$89.00 per hr.

## PROGRAM TERMS:

The estimated and minimum \$26,600

Case management is only utilized at your request and approval

In the event of cancellation or non-renewal, COMPONE will continue to manage all pending claims to conclusion including claims occurring in the service term but not reported prior to the date of termination subject to a \$300 per claim per year or partial year charge for each claim that remains open.

## CLAIMS TEAM:

- Contacts: 3-point contact on lost time claim within 24 hours
- Reserves: Reserves are calculated based upon known facts within 30 days and reviewed every 60 days thereafter
- Diary: Specific system reminders are set for state filings on all claims
- File Documentation: Discussions regarding a claim, notes, phone conversations, and documentation are stored electronically. A Plan of Action is posted quarterly.
- File Supervision: Periodic file reviews and audits are conducted by the Claims Manager or Quality Assurance Manager on a quarterly basis. Round table discussions are conducted on all complex cases
- Subrogation: Each case is initially evaluated for possible third part subrogation.
- Second Injury Fund: CompOne files and tracks all Second Injury Fund recoveries and reimbursements
- Excess Reporting: CompOne reviews and tracks each claim for Excess Reporting to the Excess Carrier based on policy terms

Hylant Disclaimer / Confidentiality Statement: The information and concepts provided throughout this document are not intended to express any legal opinion as to the nature of coverage. They are intended to provide a basic understanding of coverages but do not alter any policy conditions. Always refer to your policy(s) for specific coverages, limitations, and restrictions. Any information and concepts outlined are solely for your internal evaluation. No other use or distribution of these documents is permitted or authorized. All Hylant documents are subject to our record retention policy. Please refer to our website at [www.hylant.com](http://www.hylant.com) for a complete listing of all document types and retention periods for any documents stored within the Hylant organization.