

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

FINANCE COMMITTEE  
INITIATED BY



JEFFREY S. KUGLITSCH  
DRAFTED BY

FINANCE COMMITTEE  
SUBMITTED BY

AUGUST 18, 2010  
DATE DRAFTED

**AUTHORIZING CONTRACT FOR ADMINISTRATION OF SELF-INSURANCE PROGRAM**

1 WHEREAS, Rock County has been involved in a self-insurance program since April 20, 1979; and

2  
3 WHEREAS, the County remains self-insured and continues to operate a limited self-insurance  
4 program for workers' compensation exposures; and

5  
6 WHEREAS, it is necessary to retain the services of an administration firm to provide claim  
7 management and administration on loss control activities; and

8  
9 WHEREAS, currently Willis HRH Wisconsin has performed these services for Rock County; and

10  
11 WHEREAS, after review of proposals submitted by vendors specific to Rock County, the Finance  
12 Committee recommended that the County continue to stay with Willis HRH Wisconsin as our third party  
13 administrator for workers' compensation.

14  
15 NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors in session this  
16 9th day of September, 2010, that the County Board Chair and County Clerk are authorized and hereby  
17 directed to execute necessary documents with Willis HRH Wisconsin for the provision of worker's  
18 compensation self-insurance administration services to Rock County for the period January 1, 2011  
19 through December 31, 2013 at the following rates per claim:

Claim Type	Per Claim Proposed Fees		
	2011	2012	2013
23 Indemnity (Lost Time)	\$1,175	\$1,210	\$1,245
24 Medical Only Paid Over \$1,500	585	603	620
25 Medical Only Paid Under \$1,500	150	155	160

26  
27 BE IT FURTHER RESOLVED THAT it is understood that there will be an additional cost of \$625  
28 per claim if this matter goes to litigation. In addition, for claims expected over \$150,000 and for other  
29 specific injuries an additional fee of \$2,550 per claim may be charged. If the claim would ultimately  
30 close for less than \$150,000, Willis HRH Wisconsin would adjust the fee to the appropriate rate. Other  
31 ancillary services may be provided by Willis HRH Wisconsin provided all services are approved by the  
32 County prior to the acquisition of those services.

Respectfully submitted:

FINANCE COMMITTEE

Absent  
Mary Mawhinney, Chair

Sandra Kraft  
Sandra Kraft, Vice Chair

Mary Beaver  
Mary Beaver

10-9A-132

Absent

David Diestler

J. Russell Podzilni  
J. Russell Podzilni

LEGAL NOTE:

The County Board is authorized to enter into this agreement pursuant to secs. 59.01 and 59.51, Wis. Stats. Professional services are not subject to bidding requirements of § 59.52(29), Wis. Stats.

Jeffrey S. Kuglitsch  
Jeffrey S. Kuglitsch  
Corporation Counsel

FISCAL NOTE:

Administrative fees are paid from the Workers' Compensation Trust Account. These costs are then allocated to various County departments based upon number of personnel. There will be sufficient funds in the trust account and department 2011 – 2013 budget appropriations for these fees.

Jeffrey A. Smith  
Jeffrey A. Smith  
Finance Director

ADMINISTRATIVE NOTE:

Recommended.

Craig Knutson  
Craig Knutson  
County Administrator

## EXECUTIVE SUMMARY

Rock County has been self-insured for workers' compensation since April of 1979. Our current workers' compensation provider is Willis HRH Wisconsin based out of Appleton, Wisconsin. The County began working with Willis on September 1, 2009, following the numerous problems encountered by our previous provider, Xchanging. Rock County reviewed two proposals. One from Willis HRH Wisconsin and the other from WMMIC. After review of the proposals, it was the recommendation of both staff and the Finance Committee that the County continue to use Willis HRH Wisconsin. Willis has provided outstanding services to the County in the one year since they have been hired. In addition, Willis currently provides third-party administrative services to 16 of the 32 self-funded Wisconsin counties. Up until now, the County has paid a flat fee for its workers' compensation services. Willis advised that we are the only County they are aware of that pays in such a manner. Based on that, the Finance Committee is recommending that we go to a per claim basis for a three-year contract. Willis is able to provide some risk management services with the hope that the amount of workers' compensation claims will be reduced. The cost of the three-year proposal between January 1, 2011 through December 31, 2013 is provided in the resolution. This fee provides for the following: handling all claims occurring during the term of the contract until the claim is closed no matter how long it takes to close. Additional charges of \$625 per claim could be incurred if the matter goes to litigation. In addition, large claim and specific injuries could require an additional \$2,550 per claim. If the expected claim would ultimately close for less than the \$150,000, the fee would be adjusted to the appropriate rate. Ancillary services, including all loss control, legal, investigation, rehab and medical bill audit services would be paid separately by Rock County. All services requested would have to be approved by the County prior to the acquisition of those services.