

Minutes approved 02-19-14



RISK MANAGEMENT COMMITTEE

Jury Commission Room – McKenzie Building
Wednesday, January 22, 2014– 4:00 p.m.

Committee Members Present: Vice Chairman Tim Neuhauser, Jim Donahue, Brett Grimm, Mike Harris, Carroll Imig, Darrell Meisinger, Greg Sinn, ASA Mike Holly

Committee Members Absent: Chairman Zimmerman, Russ Crawford, Dean Grimm, Terry Hillegonds, Auditor Grashoff, Treasurer Burress

Others: County Administrator, Michael J. Freilinger

MOTION

MOTION BY MEISINGER, SECOND BY GRIMM to approve the minutes of the November 13, 2013 meeting.

On voice vote, **MOTION CARRIED.**

MOTION RM-14-05

MOTION BY IMIG, SECOND BY HARRIS to recommend to County Board to approve the selection committee's recommendation to accept the proposals for Property, Automobile, Liability and Worker's Compensation insurance and Third Party Administrator's.

Freilinger stated he had provided a memo and supporting information for Items B through E on the agenda. He stated there had been incidents over the last few years showing the Board's dissatisfaction regarding claim handling. The County has had the same broker for over 25 years and has not gone out for bids. There have been a number of changes with the broker in the last few years and this is the optimum time to look for alternatives.

A small committee was formed and the process started in November to explore options. Due to the details and complexities of insurance three brokers were invited and assigned carriers to get bids. The selection of brokers was an attempt to remain local. The brokers were Wells Fargo, Kuhl and Company and Unland Insurance. Two proposals were received and they were from Wells Fargo and Kuhl and Company. Unland sent their regrets. The low bid was Wells Fargo with the same arrangement but different premiums.

Kuhl and Company brought ICRMT who is self insured and deals solely with municipalities and counties. Their proposal is appealing but more costly. Their major highlights: they would be the only insurance provider, their coverage includes volunteers, they are owned by its members and more

involved in litigation management, provide access to legal advice and aggressive programs to reduce claims and manage risk.

Freilinger stated that in his experience, 25 years is too long to stay with the same broker and company. We need a provider that will provide an aggressive risk management program for us to reduce claim as well as our risks. His recommendations are if the Board is satisfied with our current level of insurance and services, Wells Fargo provides the status quo at the lowest premium cost. If the Board wants to expand coverage, receive more comprehensive services, and contract with a company that has a different philosophy regarding litigation management, Kuhl & Company's proposal is an attractive alternative that has the support of your selection committee.

Grimm stated he would vote for Traveler's as he would be voting against Kuhl and Company based on his own experience. Donahue stated he was not happy with the last carrier but would like other counties input to see what their experience has been. Imig stated he would be in favor of changing. Harris stated he has heard complaints for both brokers and was unsure of his vote at this time. Sinn also stated it was time for change.

Freilinger stated the decision could be made here or at an In-Place if additional information was requested. He stated we are too close to the expiration date of our current agreements to go into March. He also stated the Board needs to consider the insurance instead of the broker. We need the broker's to get quotes and coordinate coverage, prepare bid documents and be our point person and an advocate in the insurance market.

Freilinger stated there are two options in our meeting packet. Option 1 is to stay with Travelers and Option 2 is to go with ICRMT. The supporting resolutions are also included in the packet.

**MOTION TO
WITHDRAW**

MOTION BY IMIG, SECOND BY HARRIS to withdraw the original Motion.

On voice vote, **MOTION CARRIED.**

MOTION

MOTION BY DONAHUE, SECOND BY IMIG to recommend to County Board to approve Option 2 – which includes RM-14-06 for Kuhl and Company to be our broker as well as RM-14-07 for Illinois Counties Risk Management Trust (ICRMT) for the county's insurance.

On voice vote, **MOTION CARRIED.**
Opposing were Grimm and Harris.

Vice Chairman Neuhauser recessed the meeting at 4:45 p.m.

(transcribed by S. Beeney)