



RISK MANAGEMENT DEPARTMENT

Fort Bend County, Texas

Wyatt O. Scott
Director

Phone: 281-341-8630
Fax: 281-341-3751

September 19, 2012

Commissioners' Court
Fort Bend County
301 Jackson Street
Richmond, TX 77469

Re: Renewal of the Fort Bend County Insurance Program and Policies

Dear Honorable Court Members:

Attached you will find a summary of the proposed renewal for the Fort Bend County Property and Casualty insurance program.

For comparison, if we elected the twelve month renewal quote, our overall premium would increase 7% over expiring premium. The increase is due to our designation as a tier two coastal entity and to some degree the County's loss experience. Of note, our Broker approached 40 markets to quote the property coverage and we considered multiple structures and strategies in order to get the best quote possible. The most favorable terms and pricing is offered by the incumbent property carrier, Chartis. It is my recommendation that the County accept the attached proposed program which includes 18 month quotes from RSC/Chartis and of the Premier Public Entity Package (see far right column on Cost Comparison attachment). This will lock-in rates for both of these programs and it will put our property program on a renewal schedule to precede the hurricane season. The proposed premium this overall program is \$2,895,367.62.

In addition to the insurance renewals, we also submit and recommend extending the agreements with Argus Services Corporation for workers compensation medical cost containment services and with NovaPro Risk Solutions for property and casualty claims administration. We have received extension letters from both business partners to renew agreements with no rate increases for the 10/1/12-9/30/13 fiscal year.

Given the challenge of recent national catastrophes which have increased property rates, this is an acceptable proposal which is recommended by Risk Management. If you should have any questions, please let me know.

Sincerely,


Wyatt Scott

Director of Risk Management



BRIT Premier Package and Excess

Lexington Excess Property \$250,000,000 \$47,444,095	BRIT Excess Liability \$4,900,000	BRIT Excess Liability \$4,900,000	BRIT Excess POL \$4,900,000 (3)	BRIT Excess Liability \$4,900,000 (3)	BRIT Excess Crime \$990,000 (2)	Midwest Employers \$1,000,000 xs \$600,000 SIR (4)	BRIT Excess Loss Fund Protection \$1,800,000	TBD \$1,000,000 each occ / \$2,000,000 agg (5)	Admiral Ins. Co. \$1,000,000 each Claim / \$3,000,000 agg (6)
BRIT \$900,000						BRIT \$350,000	Loss Fund		
\$100,000 SIR except Auto PD \$10,000 and IM \$25,000	\$100,000 SIR	\$100,000 SIR	\$100,000 SIR	\$100,000 SIR	\$10,000 SIR	\$250,000 SIR \$100,000 WC Corridor Endt.		\$25,000 SIR	\$5,000 Per Claim - Include Expenses
\$500 maintenance deductible					\$500 maintenance deductible				
Property Mobile Equip Auto Physical Damage	General Liability Law Enforc.	Automobile Liability	Errors & Omissions	Employee Benefits Liability	Crimes	Workers' Compensation Employers' Liability			
									Medical Professional Liability (Ft. Bend Co Clinical Health Services)
									Pollution and Remediation Legal Liability

NOTES:

1. The SIR is a per occurrence retention. Only one retention applies in the event of a multiple loss, and the higher retention shall apply.
2. See Crime sublimits.
3. Errors & Omissions and Employee Benefits Liability are on a claims-made basis, with an aggregate.
4. Midwest Employer's Excess Worker's Compensation limits are as follows –
Maximum Limit of Indemnity Per Occurrence is Statutory Workers' Compensation Benefits
Employer's Liability Maximum Limit of Indemnity Per Occurrence is \$1,000,000
5. TBD provides Storage Tank/Pollution and Remediation coverage for 8 locations with a limit of \$1,000,000 each loss/\$2,000,000 aggregate.
6. Admiral Ins. Co. provides Medical Professional Liability coverage for the County with a \$1,000,000 limit each Claim/\$3,000,000 Aggregate



Cost Comparison – Midwest Employers Excess WC Quote opt. \$600,000 SIR incl, BRIT corridor endt. – Option 1

COVERAGES Fixed Costs	2011/12	Renewal 2012/13	Renewal vs. Expiring	Addl Cost to Extend	Total Cost for 18 mo.
* Premier Public Entity Package	800,890.00	828,688.00	3%	377,178.00	1,205,866.00
Excess Public Officials' Liability	Incl. in BRIT Pkg	Incl. in BRIT Pkg		Incl. in BRIT Pkg	Incl. in BRIT Pkg
Excess Liability	Incl. in BRIT Pkg	Incl. in BRIT Pkg		Incl. in BRIT Pkg	Incl. in BRIT Pkg
Basis: Law Enforcement Personnel	705	730	4%		
Basis: County Vehicles	975	1340	37%		
Basis: Payroll	100,087,188.00	103,020,366.00	3%		
* Excess Property excluded TRIA	835,000.00	913,409.00	9%	456,705	1,370,114.00
Boiler & Machinery	Incl. in Excess Property	Incl. in Excess Property		Incl. in Excess Property	
Basis: Insurable Values	547,444,095	547,993,061	0%		
Excess Workers' Compensation & Employers' Liability – Option I**	98,929.00	115,909.00 (Midwest \$600,000 SIR)	17%	57,955	173,864.00
Basis: Payroll	100,087,188	103,020,366	3%		
* Medical Professional	12,695.00	12,695.00	0%	6,348	19,043.00
Sub-Total	1,747,514.00	1,870,701.00			2,768,887.00
Surplus Lines Tax	79,956.37	85,107.41			124,935.03
Stamping Office Fee	989.15	1,052.88			1,545.59
Total Fixed Costs	1,828,459.52	1,956,861	7%		2,895,367.62
* Surplus Lines Tax & Fee					
Variable Costs					
Loss Fund	1,887,500	1,965,000	4%		2,945,000

** Midwest Employers cannot offer firm terms for more than one year. Midwest will re-underwrite on 10-01-2013. For estimation purposes we are using 50% of the premium for the estimated cost of extension. BRIT Package will include a corridor endorsement on the Excess Workers Compensation.



September 13, 2012

Wyatt Scott
FORT BEND COUNTY
Rosenberg Annex
4520 Reading Road, Suite # A
Rosenberg, Texas 77471

RE: RFP # 04-048
WORKER'S COMPENSATION & ADDITIONAL LINES OF COVERAGE FOR FORT BEND COUNTY/RENEWAL OFFER

Dear Mr. Scott,

Argus Services Corporation would like to offer to extend JOB # 04-048 for an additional year beginning October 1, 2012 and ending September 30, 2013. This offer includes keeping our pricing the same as last year and adhering to all existing terms and conditions as outlined in the original contract.

We would welcome the opportunity to work together with you and your staff for another year.

Best Regards,

A handwritten signature in cursive script that reads "R. B. Williams".

Roger B. Williams



Mr. Wyatt Scott
Director of Risk Management
Fort Bend County
301 Jackson Street
Richmond, TX 77469

Ref: Third Party Claims Administration Services
Fiscal Year 10-1-2012 through 9-30-2013

Dear Mr. Scott,

This letter is a restatement of our current contract for Third Party Claims Administration services for fiscal year 10-1-2012 thru 9-30-2013. Flat rate contract pricing of \$66,000.00 remains the same as last year which includes workers' compensation, property and causality claims.

If you have any questions, please contact me at 714-554-0980.

Sincerely,

Glenn Betts
National Director of Workers' Compensation