

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**JULY 1, 2014 AGENDA**

<b>SUBJECT:</b>	<b>TYPE:</b>	<b>SUBMITTED BY:</b>
Approve a three-year extension with Underwriters Safety & Claims to provide services for General & Auto and Workers Compensation Claims against the Village.	✓ Resolution Ordinance Motion Discussion Only	Chanay Mackey Risk Manager

**SYNOPSIS**

A resolution has been prepared to authorize a 3 year extension to the contract between the Village and Underwriters Safety & Claims, Inc. to provide claims and administrative services for workers' compensation, auto and general liability claims.

**STRATEGIC PLAN ALIGNMENT**

The Goals for 2011-2018 identifies *Exceptional Municipal Organization*.

**FISCAL IMPACT**

The FY15 Municipal Budget provides \$46,000 for this annual cost within the Risk Management Fund. The annual cost for this service will remain \$41,000 for three years.

**RECOMMENDATION**

Approval on the July 1, 2014 consent agenda.

**BACKGROUND**

The Village is self-insured for Risk Management and uses a Third Party Claims Administrator (TPA) to manage General and Auto Liability claims and Workers Compensation claims. The Village's existing agreement with Underwriters Safety and Claims will expire July 31, 2014.

Underwriters is not increasing the fee from last year for the contract renewal. Staff is pleased with the services provided by Underwriters. Underwriters' programs and approach to claims administration are anticipated to continue to bring savings to the Village. Underwriters has a solid record of client retention and also provides an online portal that allows the Village instant access to records. Staff recommends Underwriters Safety and Claims for an additional three-year agreement.

**ATTACHMENTS**

Agreement  
Resolution

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AN EXTENSION TO THE  
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE  
AND UNDERWRITERS SAFETY & CLAIMS, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Extension (the “Agreement”), between the Village of Downers Grove (“Village”) and Underwriters Safety & Claims, Inc. (“USC”), for third-party workers’ compensation, auto and general liability claims and administrative services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_  
Village Clerk

**EXTENSION TO THE AGREEMENT BETWEEN  
THE VILLAGE OF DOWNERS GROVE AND  
UNDERWRITERS SAFETY & CLAIMS, INC.**

The Village of Downers Grove, Illinois ("Village") and Underwriters Safety & Claims, Inc. ("USC") entered into an Agreement for third-party workers' compensation, auto and general liability claims and administrative services on or about June 14, 2011, which expires July 31, 2014. Pursuant to the terms stated therein, the parties desire to extend that contract for a three-year period under the following terms:

1. The extension shall continue for a three-year period ending July 31, 2017.
2. The Village shall pay USC an annual service fee of \$39,000 for each year of the Agreement.
3. The Village shall pay USC an annual service fee of \$2,000 for claims which are open for more than three years from each service period inception date.
4. At the conclusion of this extension to the Agreement (July 31, 2017), USC shall return the open claims to the Village or at the Village's election USC will handle the claims to conclusion for a fee of \$35 per open claim per month.
5. The Village shall pay \$9.50 per medical bill plus thirty percent (30%) of any savings below fee schedule or usual and customary rates for medical bill review.
6. USC will assist the Village with Section 111 MMSEA queries and reporting on files that USC administers for the Village. Queries will be completed by USC as required by the MMSEA at \$7 each, and will be charged to the claim files as an allocated expense. An additional allocated expense of \$25 will be charged when file reporting of confirmed Medicare eligible claimants is required and accomplished.
7. All other terms from the 2011 Agreement remain in full force and effect.

**VILLAGE OF DOWNERS GROVE**

\_\_\_\_\_  
Village Manager

Attest:

\_\_\_\_\_  
April Holden, Village Clerk

Date: \_\_\_\_\_

**UNDERWRITERS SAFETY &  
CLAIMS, INC.**

*George Young*  
\_\_\_\_\_  
VP-TPA Services

Attest:

*John J. [Signature]*  
\_\_\_\_\_

Date: June 23, 2014