

THE BOARD OF COUNTY COMMISSIONERS HELD AN INFORMAL REGULAR SESSION ON MONDAY, AUGUST 27, 2012, WITH COMMISSIONERS EDWIN H. HUMPHREY, ROBERT L. PROUD AND DAVID H. UIBLE IN ATTENDANCE.

ALSO IN ATTENDANCE WERE STEPHEN H. RABOLT, COUNTY ADMINISTRATOR, AND DEBORAH BRITTON, CLERMONT COUNTY COMMISSIONERS' OFFICE. ADDITIONAL ATTENDEES AT THE INFORMAL REGULAR SESSION ARE LISTED ON THE ATTACHED ATTENDANCE SHEET.

LET THE RECORD SHOW THAT THE AUGUST 27, 2012 INFORMAL REGULAR SESSION WAS VIDEOTAPED AND IS AVAILABLE FOR PUBLIC INSPECTION MONDAY THROUGH FRIDAY BETWEEN THE HOURS OF 8:00 A.M. TO 4:30 P.M. LOCAL TIME. IN ADDITION, THE INFORMAL REGULAR SESSION IS AVAILABLE FOR PUBLIC VIEWING THROUGH THE COUNTY GOVERNMENT WEBSITE AT <http://www.clermontcountyohio.gov/videos-bcc.aspx>.

THE FOLLOWING ISSUES WERE PRESENTED FOR DISCUSSION:

1. Issue - Comp Management - Worker's Comp Annual Presentation

Discussion - Robert Sander, Director of Human Resources introduced Todd Keserich and Bruce Preston from Comp Management. Mr. Sander explained that each year Clermont County through Comp Management performs an analysis to see which plan that Human Resources will recommend to the Commissioners. There are several types of programs that the county analyzes; State experience rating, Consortium retrospective rated counties also known as Group Retrospective, individually retrospective rated, and Self Insurance.

Individual Retrospective Rating – This type of Retrospective Rating is the plan that the county is currently under; by selecting this type of plan the county is required to select a claim limit and an aggregate policy limit. The State of Ohio gives us a reduced premium up front for selecting the limits, which are currently set at \$200,000 per claim/ 150% aggregate; this is a cash flow savings up front, and then the county is retro billed for injury claims for each year every year for 10 years. Please see the charts that show the premium savings over the last 5 years.

If the county were to choose to re-sign for this program in 2013 the application would need to be completed by: October 31, 2012. This is the option that Comp Management is recommending due to the projected savings being an estimated \$201,354, as well as the limited exposure. The county's exposure to claims under this plan rating is 10 years. Keep in mind that this number is based on 2011 and the county did have a catastrophic event that has not yet been added into these numbers for 2012-2013, that will cap out at the \$200,000.

Group Retrospective Rating – Comp Management does not recommend this due the fact that you have to pay your full insurance up front premium, you are put together with other counties and then the State comes back to look at future dates to see if you would be eligible for a rebate or have any further exposure or additional costs depending on how Clermont and all the other counties have performed. The county would have to pay the full up front premium plus the previous year's retro billings all in the same year, not a good cash flow scenario.

In this type of plan the county would have to pay and are at the risk of other counties; as the county does have first responders covered under the plan this type of retrospective group rating would be a greater risk.

Self Insurance

Self Insurance is an option and some counties have done this in the last few years. Comp Management has attached the analysis for this option; Comp Management analyzed three ways over a 5 year period expected losses, actual losses, and worst case scenario. There could be some additional savings going with this option, however, there is a greater risk. These savings projections do not take into consideration claims administration fees or medical management and bill re-pricing fees which in the other plans is covered under our premium. Under Self Insurance the county would have to contract and pay for these services separately as well as purchasing an excess policy claim limit for the year from a brokerage. Comp Management also noted that the exposure of this type of plan is until the claim is complete. In Self Insurance there is no aggregate limit available, you cannot purchase a policy that will cover all losses and cap it at a certain aggregate limit.

Also it should be noted that the county's exposure under this plan is for the duration of the claim, as compared to the 10 year limit on the Retrospective Rating; under Self Insurance there is much more risk and exposures are greater.

Recommendation: If the county remains at the current conservative level of \$200,000 per claim/ 150% premium under Individual Retrospective Rating this is where the county receives about 40% minimum premium. If the county so chose they could up the claim limit to \$300,000 per claim/ 200% premium and save an additional \$50,000.

If the county were to choose the Self Insurance rating option, the county would need to look into what the administration fees would cost and address those costs, before knowing the exact amount of savings this would provide. There is no deadline for filing for this type of rating; the county can file for this type at any time.

Comp Management recommends that the county stay on track with Individual Retrospective Rating on the conservative approach, remaining at the current \$200,000 per claim/ 150% premium. Again the deadline for this application to the State is October 31, 2012.

Mr. Humphrey stated that he thinks the county has been on this 200/150% plan since 2008 and it appears to him that the Individual Retrospective Rating manages risk and encourages us as individuals to have a safe work environment. He would recommend that the county stay with that as it seems to minimize exposure and give the best coverage for the employees.

The number of claims is down in 2012 however the county does not have all the claims costs in from the catastrophic event that occurred in 2012. The county will cap out in 2012 due to this event, so this is one instance where the county benefit from having the conservative limit of \$200,000.

Conclusion/Follow-Up Action Needed – Human Resources will need to in the coming weeks present a motion to remain retrospective rated and a renewal for contract with Comp Management; Comp Management currently represents 77 of the 88 counties in Ohio. (DC# 12-0831-002)

Adjournment

Informal Regular Session was adjourned.

**BOARD OF COUNTY COMMISSIONERS
CLERMONT COUNTY, OHIO**

**ROBERT L. PROUD, PRESIDENT
EDWIN H. HUMPHREY, VICE PRESIDENT
DAVID H. UIBLE, MEMBER**

STEPHEN H. RABOLT, COUNTY ADMINISTRATOR

**09/26/12
DATE APPROVED**