RESOLUTION - ACTION REQUESTED 2019-646

MEETING: November 12, 2019

TO: The Board of Supervisors

FROM: Kimberly Williams, Human Resources Director

RE: First Amendment to Agreement with George Hills Company, Inc.

RECOMMENDATION AND JUSTIFICATION:
Approve First Amendment to the Agreement with George Hills Company, Inc. to Increase the Adjuster’s Fee to $88 Per Hour Effective July 1, 2019; and Authorize the Board of Supervisors Chair to Sign the Amendment.

George Hills Company, Inc. has been providing complete general liability claims handling services to the County since 2016 for all accidents or incidents that may be the subject of a claim against the County. These services include investigative services, liability and property claims handling, legal support services, reports and procedures including ensuring compliance with excess reporting, and subrogation services. Claims include general liability, motor vehicle, and potential money damage claims filed by third parties against the County. There are currently eight open claims, of which four are litigated.

Human Resources staff and the Claims Committee consisting of County Counsel, the County Administrative Officer and the Human Resources Director have been extremely pleased with the level of professionalism, expertise, and efficiency in which George Hills Company has provided liability claims adjusting and administrative services over the past three years.

George Hills Company proposed an increase to their adjuster’s fee from $83 per hour to $88 per hour in July of this year to be effective with their July invoice, which is the first proposed increase in three years. They have also implemented the use of claims processors to perform the less complex work of adjusters at a reduced rate of $75 per hour, which is resulting in even more efficient claims handling and a savings to their clients. This is not an additional fee, but rather a better way to manage the workload and associated costs, and allow adjusters to focus on the more complex aspects of claims handling.
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Staff recommends approving the increase to the adjuster’s fee due to the highly efficient and effective service that George Hills Company has been providing to the County since 2016. No other increases or changes are requested.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board approved the Agreement with George Hills Company, Inc. for General Liability Claims Adjusting and Administration Services on September 20, 2016 for a five-year term.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve First Amendment to the Agreement with George Hills and the adjuster's fee would remain at $83 per hour for the remainder of the term.

FINANCIAL IMPACT:
Funding is budgeted in the Liability Insurance Fund.

ATTACHMENTS:
First Amendment to Agreement with George Hills Company, Inc. (PDF)
Approved Agreement with George Hills 9-2016 (PDF)

RESULT: ADOPTED [UNANIMOUS]
MOVER: Marshall Long, District III Supervisor
SECONDER: Merlin Jones, District II Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey