

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 7/21/2009      ☐ Consent      ☒ Regular  
    ☐ Ordinance      ☐ Public Hearing  
 Department  
 Submitted By: Risk Management

I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to:**

- A. Approve a contract with Preferred Governmental Claims Solutions - PGCS with guaranteed unallocated administrative rates for the three year period of August 1, 2009 through July 31, 2012, at an annual estimated cost to the Board of \$136,100, \$134,600, \$139,600 for years one through three respectively, with a full contract estimated cost of \$410,300, plus allocated claim specific expenses as illustrated in Article 4D and Exhibit B of the Contract.
- B. Adopt a Resolution of the Board of County Commissioners of Palm Beach County, Florida, authorizing the establishment of a bank account with Wachovia Bank, N.A. for the payment of workers' compensation claims with a beginning reserve deposit of \$750,000.00

**Summary:** As part of the Fiscal Year 2010 budget reduction strategies, staff recommends privatizing the claims adjusting and medical bill paying functions of the self-insured/self-administered workers' compensation program.

Currently, the adjusting and billing functions of the County's self-insured workers' compensation program include four full time positions and dedicated ISS professional services, at a projected cost of \$360,325 for Fiscal Year 2010. This proposed privatization will result in the elimination and layoff of four (4) filled positions. Comparatively, the projected administration, billing and ISS professional costs for onsite third party administration for Fiscal Year 2010 are \$179,732.00. Additional savings to this program will be realized through network preferred provider organization (PPO) discounts and prescription benefit management negotiated discounts. It is estimated that total savings to the Risk Management budget will exceed \$400,000 in its first year. Countywide (TKF)

**Background and Policy Issues:** (Continued on page 3)

**Attachments:**

- 1. Contract
- 2. Resolution

Recommended by:  
Department Director

*Nancy L. Bolten*  
Date

7/13/09

Approved by:

Assistant County Administrator

*Julia*  
Date

7/16/09

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital Expenditures					
Operating Costs	(\$180,593)	(\$138,218)	(\$133,218)		
External Revenues					
Program Income (County)					
In Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>(\$180,593)*</b>	<b>(\$138,218)*</b>	<b>(\$133,218)*</b>		
# ADDITIONAL FTE					
POSITIONS (Cumulative) (4)					

Is Item Included In Current Budget? Yes X No. \_\_\_\_\_  
 Budget Account No.: Fund 5011 Agency 700 Org. 7242 Object 4511  
 Reporting Category \_\_\_\_\_

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
TPA	\$179,732	\$178,232	\$183,232
In House	(360,325)	(316,450)	(316,450)
*Net Fiscal Impact	(\$180,593)	(\$138,218)	(\$133,218)

C. Departmental Fiscal Review: Gary K...

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Administration Comments:

Additional savings (\$255,365 estimated for FY 2010) are also anticipated through negotiated PPO and RX contracts.

[Signature] 7/17/09  
 OFMB  
 7/14/09

[Signature] 7/16/09  
 Contract Administration  
 7/16/09

### B. Legal Sufficiency:

[Signature] 7/16/09  
 Assistant County Attorney  
 This contract was not executed at time of review  
 This Contract complies with our contract review requirements.

### C. Other Department Review:

\_\_\_\_\_  
 Department Director

**Background and Policy Issues:** The Board has self administered all aspects of its self-insured workers' compensation program since its inception. The program includes workers' compensation services for all Constitutional Officers, with the exception of PBSO. In addition to in-house adjusting and bill paying functions, the risk management information system, "RIMS," was designed and is maintained in-house by the County's ISS department. This is no longer considered to be a cost effective process. The State of Florida now mandates electronic data interchange (EDI) of medical bills, and there will soon be more electronic reporting requirements as imposed through the Medicare Secondary Payer Act. Programming costs under the existing program are borne entirely by the Board. By privatizing the workers' compensation billing function alone, the programming costs will be spread across the third party administrator's entire book of business, and the workers' compensation program will save approximately \$121,875 in the first year.

An RFP was released earlier this year for third party administration services to replace the above-mentioned functions of the program. In response to the RFP, nine proposals were evaluated by a selection committee of four, and Preferred Governmental Claims Solutions – PGCS was selected as the recommended carrier because of its extensive experience and competitive price proposal representing a reduced cost as compared to the existing program.

The workers' compensation division of the risk management department will, in many aspects, continue as an "in-house" operation. The occupational health clinic will continue to triage and treat injured workers and the workers' compensation manager will be retained to manage the third party administration contract. A "best practice" approach in the management of a third party administrator is a "hands on" approach. When these programs are audited, the auditor's strongest criticism is often leveled at an employer's ineffective and inefficient oversight of a workers' compensation program. The retention of the manager allows for the cost savings of a third party administrator monitored under the watchful eye of an experienced in-house manager. Additionally, the contracted adjusters will be located onsite at the County. This will eliminate any need for excessive travel expenses, and will also allow for day to day monitoring of the program. The files will continue to be maintained at the County, and therefore the County's staff records clerk will also be retained. PGCS has provided a multi-year rate guarantee (Contract Article 4), which will impact subsequent fiscal years with savings similar to year one.

The contract will provide for annual flat fees for unallocated administrative services including two dedicated onsite adjusters, annual 1099 preparation, and risk management software and support services. Additionally, the contract will allow for specific rates for allocated claim specific expenses to be paid from the established bank account (along with all other claim payments as required by F.S. 440). These rates are highlighted in Article 4D and Exhibit B of the contract.

Anticipated administrative savings for the first year of the contract are as follows:

Service	In-House Cost	TPA Cost	Inc/(Dec)
ISS/Admin (includes onetime data dump, 1099 preparation and monthly fee of 1,500)	121,875	20,500	(102,375)
Adjusting/Admin (eliminates two FTEs)	117,644	115,600	(2,044)
Bill Review (eliminates two FTEs)	120,806	43,632(est. allocated claim exp.)	(76,174)
Total Admin Costs	360,325	179,732	(180,593)

In addition to the administrative savings anticipated, considerable savings are also expected from the third party administrator's contracted preferred provider organization (PPO) and pharmaceutical benefit manager. The County's in-house arrangement applies discounts to medical bills in accordance with the Florida fee schedule only. Through the third party administrator, the County will enjoy additional savings through negotiated PPO and Rx contracts. Anticipated savings the first year, as compared to the in-house program's three year average expenditures are as follows:

Bill Type	In-House Cost	TPA Cost	Inc/(Dec)
Medical Bills	3,073,968	2,919,040	(154,928)
Rx	1,003,666	903,229	(100,437)
Total Bills	4,077,634	3,822,269	(255,365)

Additional savings are anticipated through indemnification of the County for penalties and interest incurred as a consequence of adjuster error, aggressive bill and utilization review, reduced state assessment fees, credentialed network doctors versed and proactive in returning injured workers to the job and an aggressive approach to the pursuit of subrogation.

**CONTRACT FOR  
THIRD PARTY WORKERS' COMPENSATION CLAIMS  
ADMINISTRATION SERVICES  
(Contract No. 09-046/DL)**

This Contract No. 09-046/DL, dated \_\_\_\_\_, 2009, by and between Palm Beach County, a Political Subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the COUNTY, and Preferred Governmental Claim Solutions (PGCS), located at 615 Crescent Executive Court, Suite 600, Lake Mary, Florida 32746, a corporation authorized to do business in the State of Florida, hereinafter referred to as the CONTRACTOR.

In consideration of the mutual promises contained herein, the COUNTY and the CONTRACTOR agree as follows:

**ARTICLE 1 - SERVICES**

The CONTRACTOR's responsibility under this Contract is to provide professional third party Workers' Compensation claims administration services for the Risk Management Department in accordance with Exhibit A, Scope of Work/Services, and Exhibit B, CONTRACTOR's proposal dated May 26, 2009, both of which are attached hereto and incorporated herein.

The COUNTY's representative/liaison during the performance of this Contract shall be Harry George, Workers' Compensation Manager, telephone number (561) 233-5417 or designee.

The CONTRACTOR's representative/liaison during the performance of this Contract shall be Kenneth Picton, Vice President, telephone number (321) 832-1435.

**ARTICLE 2 - ORDER OF PRECEDENCE**

Conflicting provisions hereof, if any shall prevail in the following descending order of precedence: (1) the provisions of the Contract, including Exhibit A; (2) the provisions of RFP No. 09-046/DL and all Amendments thereto, which are incorporated into and made a part of this Contract; (3) Exhibit B, CONTRACTOR's proposal dated May 26, 2009; and (4) all other documents, if any, cited herein or incorporated herein by reference.

**ARTICLE 3 - SCHEDULE**

The CONTRACTOR shall commence services on August 1, 2009, and complete all services by July 31, 2012, with two (2) twelve (12) month options for renewal at the sole discretion of the COUNTY.

Reports and other items shall be delivered and/or completed in accordance with Exhibit A.

#### **ARTICLE 4 - PAYMENTS TO CONTRACTOR**

- A. The total amount to be paid by the COUNTY under this Contract for all on-site claims services, materials, data conversion and monthly program administration fees shall not exceed a total contract amount of Four Hundred Ten Thousand, Three Hundred Dollars and no cents (\$410,300.00), comprised of the following annual not-to-exceed amounts which should be paid from a separate non-claims bank account and charged to the G/L account 4511:

Year 1: \$136,100.00 (\$115,600 Annual Fee for one onsite "lost time" and one "medical only" adjuster + \$18,000 Program Administration Fee + \$1,500 Data Conversion Fee + \$1,000 estimated 1099 processing cost)

Year 2: \$134,600.00 (\$115,600 Annual Fee for one onsite "lost time" and one onsite "medical only" adjuster + \$18,000 Program Administration Fee + \$1,000 estimated 1099 processing cost)

Year 3: \$139,600.00 (\$120,600 Annual Fee for one onsite "lost time" and one onsite "medical only" adjuster + \$18,000 Program Administration Fee + \$1,000 estimated 1099 processing cost)

The CONTRACTOR shall notify the COUNTY's representative, in writing, when ninety percent (90%) of the annual "not-to-exceed amount" has been reached. The CONTRACTOR will bill the COUNTY on a monthly basis, or as otherwise provided, at the amounts set forth in Exhibit B for services rendered toward the completion of the Scope of Work/Services. Where incremental billings for partially completed items are permitted, the total billing shall not exceed the estimated percentage of completion as of the billing date.

- B. Invoices received from the CONTRACTOR pursuant to this Contract will be reviewed and approved by the COUNTY's representative, indicating that services have been rendered in conformity with the Contract. Approved invoices will be sent to the Finance Department for payment. Invoices will normally be paid within thirty (30) days following the COUNTY representative's approval.
- C. Final Invoice: In order for both parties herein to close their books and records, the CONTRACTOR will clearly state "final invoice" on the CONTRACTOR's final/last billing to the COUNTY. This shall constitute CONTRACTOR's certification that all services have been properly performed and all charges and costs have been invoiced to the COUNTY. Any further charges, if not properly included on this final invoice, are waived by the CONTRACTOR.
- D. Claims and Claims Expenses In accordance with Florida Statute 136.091, the COUNTY shall establish in its name, a workers' compensation claims account ("LOSS FUND ACCOUNT") with Wachovia Bank, N.A. with a minimum fund balance containing the average of 45 days typical claims payments, which is

determined by the COUNTY to be \$750,000. CONTRACTOR shall pay workers' compensation claims on behalf of the COUNTY's workers' compensation claimants through the CONTRACTOR's "Risk Master" claim system. Payment of claims will be charged to G/L account 3511 from the "County Depository" per Statute 136.091 as a special checking account for payment of claims against the County under its self-insurance program, and shall include all workers' compensation claim payments within the provisions of Chapter 440 (Workers' Compensation) of the Florida Statutes including all payments to medical providers, pharmacies, cost containment charges, allocated loss and expense charges, subrogation, claim settlement charges, and all claim-related payments to injured workers within the provisions of the Statute, and the following claim expenses as specified in Exhibit B as required by workers' compensation claim volume and the specific needs for individual workers' compensation claims:

Bill Review - \$1.40 per line with three line minimum	\$ 4.20
Telephonic Case Management – if utilized	\$75.00/hr
Field Case Management (Med & Voc) – if utilized	\$79.00/hr
Pre-Certification for Invasive Procedures	\$125/case
PPO Access Savings Retained by CONTRACTOR	28% of Savings
Peer and Concurrent Review if utilized	\$75.00/hr
Medical Director or Physician Advisor if utilized	\$275 - \$375/hr
Catastrophic Case Management	\$85.00/hr

A weekly check register shall be generated and forwarded to the COUNTY. In addition, the CONTRACTOR will provide support for any fees which will be submitted with the request for payment so that the COUNTY can review the itemized billable hours specifying the cases along with the reasons for the fees. The COUNTY shall review the register and fund the account, via wire transfer, in an amount to cover the payments that had been entered the previous week. The COUNTY shall then authorize CONTRACTOR to process the payments. Checks shall be printed on CONTRACTOR check stock and mailed directly from the Lake Mary, Florida location.

#### **ARTICLE 5 - SETTLEMENT AUTHORITY**

Any settlement agreement or settlement payment by the CONTRACTOR shall be within the provisions of the COUNTY's internal Policy and Procedures for settlement authority. It is agreed that CONTRACTOR shall not propose or commit to settlements outside the levels of authority established and approved by the appropriate representative, or representatives of the COUNTY.

#### **ARTICLE 6 - TRUTH-IN-NEGOTIATION CERTIFICATE**

Signature of this Contract by the CONTRACTOR shall also constitute the execution of a truth-in-negotiation certificate certifying that the wage rates, over-head charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete, and current as of the date of the Contract and no higher than those

charged the CONTRACTOR's most favored customer for the same or substantially similar service.

The said rates and costs shall be adjusted to exclude any significant sums should the COUNTY determine that the rates and costs were increased due to inaccurate, incomplete, or noncurrent wage rates or due to inaccurate representation(s) of fees paid to outside contractors. The COUNTY shall exercise its rights under this Article 6 within three (3) years following final payment.

#### **ARTICLE 7 - TERMINATION**

This Contract may be terminated by the CONTRACTOR upon sixty (60) days prior written notice to the COUNTY in the event of substantial failure by the COUNTY to perform in accordance with the terms of this Contract through no fault of the CONTRACTOR. It may also be terminated, in whole or in part, by the COUNTY, with cause upon ten (10) business days written notice to the CONTRACTOR or without cause upon thirty (30) business days written notice to the CONTRACTOR. Unless the CONTRACTOR is in breach of this Contract, the CONTRACTOR shall be paid for services rendered to the COUNTY's satisfaction through the date of termination. After receipt of a Termination Notice, except as otherwise directed by the COUNTY, in writing, the CONTRACTOR shall:

1. Stop work on the date and to the extent specified.
2. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
3. Transfer all work in process, completed work, and other materials related to the terminated work to the COUNTY.
4. Continue and complete all parts of the work which have not been terminated.

#### **ARTICLE 8 – SOLE CONTRACTOR**

During the term of this CONTRACT and except as otherwise agreed to by the parties hereto, COUNTY agrees that CONTRACTOR shall be the sole CONTRACTOR with respect to COUNTY's program and that all new claims under the COUNTY's program shall be forwarded to the CONTRACTOR. COUNTY reserves the right to independently contract with workers' compensation defense counsel.

#### **ARTICLE 9 – PRACTICE OF LAW**

The CONTRACTOR shall not perform any services which may constitute the unauthorized practice of law.

## **ARTICLE 10 - PERSONNEL**

The CONTRACTOR represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.

All of the services required hereinunder shall be performed by the CONTRACTOR, or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the CONTRACTOR's key personnel, as may be listed in Exhibit B, attached hereto and incorporated herein, must be made known to the COUNTY's representative and written approval must be granted by the COUNTY's representative before said change or substitution can become effective.

The CONTRACTOR warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

All of the CONTRACTOR's personnel (and all subcontractor's) will comply with all COUNTY requirements governing conduct, safety, and security while on COUNTY premises.

## **ARTICLE 11 - CRIMINAL HISTORY RECORDS CHECK**

The CONTRACTOR shall comply with the provisions of Ordinance 2003-030, the Criminal History Records Check Ordinance ("Ordinance"), if CONTRACTOR's employees or subcontractors are required under this Contract to enter a "critical facility" as identified in Resolution R-2003-1274. The CONTRACTOR acknowledges and agrees that all employees and subcontractors who are to enter a "critical facility" will be subject to a fingerprint based criminal history records check. Although COUNTY agrees to pay for all applicable FDLE/FBI fees required for criminal history record checks, the CONTRACTOR shall be solely responsible for the financial, schedule, and staffing implications associated in complying with Ordinance 2003-030.

## **ARTICLE 12 - SMALL BUSINESS ENTERPRISES SUBCONTRACTING**

The COUNTY reserves the right to accept the use of a subcontractor, or to reject the selection of a particular subcontractor, and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The CONTRACTOR is encouraged to seek additional small business enterprises for participation in subcontracting opportunities. If the CONTRACTOR uses any subcontractors on this project, the following provisions of this Article shall apply:



If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion, the CONTRACTOR shall promptly do so, subject to acceptance of the new subcontractor by the COUNTY.

The Palm Beach County Board of County Commissioners has established a minimum goal for SBE participation of 15% on all County solicitations.

The CONTRACTOR agrees to abide by all provisions of the Palm Beach County Code establishing the SBE Program, as amended, and understands that failure to comply with any of the requirements will be considered a breach of contract.

The CONTRACTOR incorporates Schedule 1 (participation of SBE-M/WBE Contractors) and Schedule 2 (Letter of Intent) attached hereto and made a part hereof, the names, addresses, scope of work, dollar value or percentage of the SBE-M/WBE participation on Schedule 1 and the Letter of Intent, Schedule 2, signed by each of the listed SBE-M/WBE subcontractors on Schedule 1 agreeing to perform the Contract at the listed dollar value or percentage.

The CONTRACTOR understands that each SBE firm utilized on this Contract must be certified by Palm Beach County in order to be counted toward the SBE participation goal.

The CONTRACTOR understands that it is the responsibility of the department letting the Contract and Office of Small Business Assistance (OSBA) to monitor compliance with the SBE Ordinance requirements. In that regard, the CONTRACTOR agrees to furnish progress payment reports to both parties on the progress of the SBE-M/WBE participation on each pay application submitted.

The CONTRACTOR further agrees to provide OSBA with a copy of the CONTRACTOR's contract with any SBE subcontractor or any other related documentation upon request.

The CONTRACTOR understands the requirements to comply with the tasks and proportionate dollar amounts throughout the term of this Contract as it relates to the use of SBE firms.

The CONTRACTOR will only be permitted to replace a certified SBE subcontractor who is unwilling or unable to perform. Such substitutions must be done with another certified SBE in order to maintain the SBE percentages established in this Contract. Requests for substitutions of SBE's must be submitted to the COUNTY's representative and to the Office of Small Business Assistance.

The CONTRACTOR understands that he/she is prohibited from making any agreements with the SBE in which the SBE promises not to provide subcontractors quotations to other proposers or potential proposers.

The CONTRACTOR agrees to maintain all relevant records and information necessary to document compliance pursuant to Palm Beach County Code, Chapter 2, Part C, Sections 2-80.21 through 2-80.34, and will allow the COUNTY to inspect such records.

### **ARTICLE 13 - FEDERAL AND STATE TAX**

The COUNTY is exempt from payment of Florida State Sales and Use Taxes. The COUNTY will sign an exemption certificate submitted by the CONTRACTOR. The CONTRACTOR shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the COUNTY, nor is the CONTRACTOR authorized to use the COUNTY's Tax Exemption Number in securing such materials.

The CONTRACTOR shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

### **ARTICLE 14 - AVAILABILITY OF FUNDS**

The COUNTY's performance and obligation to pay under this Contract is contingent upon an annual appropriation for its purpose by the Board of County Commissioners.

### **ARTICLE 15 - INSURANCE REQUIREMENTS**

It shall be the responsibility of the CONTRACTOR to provide evidence of the following minimum amounts of insurance coverage to Palm Beach County, c/o Purchasing Department, 50 South Military Trail, Suite 110, West Palm Beach, FL 33415, Attention: Donna Pagel, Purchasing Manager.

The CONTRACTOR shall, on a primary basis and at its sole expense, maintain in full force and effect, at all times during the life of this Contract, insurance coverages and limits (including endorsements) as described herein. Failure to maintain the required insurance will be considered default of the Contract. The requirements contained herein, as well as COUNTY's review or acceptance of insurance maintained by CONTRACTOR, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by CONTRACTOR under the Contract. CONTRACTOR shall agree to provide the COUNTY with at least ten (10) day prior notice of any cancellation, non-renewal or material change to the insurance coverages.

- A. **Commercial General Liability:** CONTRACTOR shall maintain Commercial General Liability at a limit of liability not less than **\$500,000** Each Occurrence. Coverage shall not contain any endorsement(s) excluding Contractual Liability or Cross Liability.
- B. **Business Auto Liability:** CONTRACTOR shall maintain Business Auto Liability at a limit of liability not less than **\$500,000** Each Occurrence for all owned, non-owned, and hired automobiles. In the event CONTRACTOR owns no automobiles, the Business Auto Liability requirement shall be amended allowing

CONTRACTOR to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form.

- C. **Workers' Compensation Insurance & Employer's Liability:** CONTRACTOR shall maintain Workers' Compensation & Employer's Liability in accordance with Florida Statute Chapter 440. CONTRACTOR is responsible to provide workers' compensation and employer's liability coverage of all employees (including CONTRACTOR's staff located on-site at the COUNTY).
- D. **Professional Liability:** CONTRACTOR shall maintain Professional Liability, or equivalent Errors & Omissions Liability, at a limit of liability not less than \$1,000,000 Per Occurrence. When a self-insured retention (SIR) or deductible exceeds \$10,000, COUNTY reserves the right, but not the obligation, to review and request a copy of CONTRACTOR's most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis, CONTRACTOR warrants the Retroactive Date equals or preceded the effective date of this Contract. In the event the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advanced, or any other event triggering the right to purchase a Supplement Extended Reporting Period (SERP) during the life of this Contract, CONTRACTOR shall purchase a SERP with a minimum reporting period not less than three (3) years. The requirement to purchase a SERP shall not relieve the CONTRACTOR of the obligation to provide replacement coverage. The Certificate of Insurance providing evidence of the purchase of this coverage shall clearly indicate whether coverage is provided on an "occurrence" or "claims - made" form. If coverage is provided on a "claims - made" form the Certificate of Insurance must also clearly indicate the "retroactive date" of coverage.
- E. **Additional Insured Clause:** Except as to Business Auto, Workers' Compensation and Employer's Liability (and Professional Liability, when applicable) the Certificate(s) of Insurance shall clearly confirm that coverage required by the Contract has been endorsed to include Palm Beach County as an Additional Insured.
- F. **Waiver of Subrogation:** CONTRACTOR hereby waives any and all rights of Subrogation against the COUNTY, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, then CONTRACTOR shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy which includes a condition to the policy specifically prohibiting such an endorsement or voids coverage should CONTRACTOR enter into such an agreement on a pre-loss basis.

- G. **Certificates of Insurance:** Within forty-eight (48) hours of the COUNTY's request to do so, the CONTRACTOR shall deliver to the COUNTY Certificate(s) of Insurance evidencing that all types and amounts of insurance coverages required by this Contract have been obtained and are in full force and effect. During the term of the Contract and prior to each subsequent renewal thereof, the CONTRACTOR shall provide this evidence to the COUNTY prior to the expiration date of each and every insurance required herein. Such Certificate(s) of Insurance shall include a minimum ten (10) day endeavor to notify due to cancellation of coverage.
- H. **Umbrella or Excess Liability:** If necessary, CONTRACTOR may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, and Employer's Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employer's Liability. The COUNTY shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.
- I. **Right to Revise or Reject:** COUNTY, by and through its Risk Management Department in cooperation with the contracting/monitoring department, reserves the right to review, modify, reject, or accept any required policies of insurance, including limits, coverages, or endorsements, herein from time to time throughout the term of this Contract. COUNTY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

#### **ARTICLE 16 - INDEMNIFICATION**

CONTRACTOR shall protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officials harmless from and against any and all claims, liability, loss, expense, cost, damages, or causes of action of every kind or character, including attorneys' fees and costs, whether at trial or appellate levels or otherwise, arising during and as a result of their performance of the terms of this Contract or due to the acts or omissions of CONTRACTOR.

#### **ARTICLE 17 - SUCCESSORS AND ASSIGNS**

The COUNTY and the CONTRACTOR each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the COUNTY nor the CONTRACTOR shall assign, sublet, convey, or transfer its interest in this Contract, without the prior written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COUNTY, nor

shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the CONTRACTOR.

#### **ARTICLE 18 - REMEDIES**

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law, or in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

#### **ARTICLE 19 - CONFLICT OF INTEREST**

The CONTRACTOR represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Chapter 112, Part III, Florida Statutes. The CONTRACTOR further represents that no person having any conflict of interest shall be employed for said performance or services.

The CONTRACTOR shall promptly notify the COUNTY's representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence, or appear to influence, the CONTRACTOR's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the CONTRACTOR may undertake and request an opinion of the COUNTY as to whether the association, interest or circumstance would, in the opinion of the COUNTY, constitute a conflict of interest if entered into by the CONTRACTOR. The COUNTY agrees to notify the CONTRACTOR of its opinion by certified mail within thirty (30) days of receipt of notification by the CONTRACTOR. If, in the opinion of the COUNTY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the CONTRACTOR, the COUNTY shall so state in the notification and the CONTRACTOR shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the COUNTY by the CONTRACTOR under the terms of this Contract.

#### **ARTICLE 20 - EXCUSABLE DELAYS**

The CONTRACTOR shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the CONTRACTOR, or its subcontractor(s), and without their fault or negligence. Such causes include, but are not limited to: acts of God; force majeure; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the CONTRACTOR's request, the COUNTY shall consider the facts and extent of any failure to perform the work; and, if the CONTRACTOR's failure to perform was without it or its subcontractors' fault or negligence, the Contract Schedule and/or any other affected provision of this Contract shall be revised accordingly, subject to the COUNTY's rights to change, terminate, or stop any or all of the work at any time.

#### **ARTICLE 21 - ARREARS**

The CONTRACTOR shall not pledge the COUNTY's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The CONTRACTOR further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

#### **ARTICLE 22 - DISCLOSURE AND OWNERSHIP OF DOCUMENTS**

The CONTRACTOR shall deliver to the COUNTY's representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the COUNTY under this Contract.

To the extent allowed by Chapter 119, Florida Statutes, all written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the COUNTY, or at its expense, will be kept confidential by the CONTRACTOR and will not be disclosed to any other party, directly or indirectly, without the COUNTY's prior written consent, unless required by a lawful court order. All medical records, claim information, drawings, maps, sketches, programs, data bases, reports and other data developed, purchased or processed under this Contract for the COUNTY, or at the COUNTY's expense, shall be and remain the COUNTY's property and may be reproduced and reused at the discretion of the COUNTY and/or within the provisions of applicable state or federal law.

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

#### **ARTICLE 23 - INDEPENDENT CONTRACTOR RELATIONSHIP**

The CONTRACTOR is, and shall be, in the performance of all work, services, and activities under this Contract, an Independent Contractor and not an employee, agent, or servant of the COUNTY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the CONTRACTOR's sole direction, supervision, and control. The CONTRACTOR shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the CONTRACTOR's relationship, and the relationship of its employees, to the COUNTY shall be that of an Independent Contractor and not as employees or agents of the COUNTY.

The CONTRACTOR does not have the power or authority to bind the COUNTY in any promise, agreement, or representation other than specifically provided for in this Contract.

#### **ARTICLE 24 - CONTINGENT FEE**

The CONTRACTOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONTRACTOR, to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONTRACTOR, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

#### **ARTICLE 25 - ACCESS AND AUDITS**

The CONTRACTOR shall maintain adequate records related to all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion or termination of this Contract. The COUNTY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the CONTRACTOR's place of business.

#### **ARTICLE 26 - NONDISCRIMINATION**

The CONTRACTOR warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, sexual orientation, or gender identity and expression.

#### **ARTICLE 27 - AUTHORITY TO PRACTICE**

The CONTRACTOR hereby represents and warrants that it has, and will continue to maintain, all licenses and approvals required to conduct its business; and, that it will, at all times, conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the COUNTY's representative upon request.

#### **ARTICLE 28 - SEVERABILITY**

If any term or provision of this Contract or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such terms or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

## **ARTICLE 29 - PUBLIC ENTITY CRIMES**

As provided in F.S. 287.132-133, by entering into this Contract or performing any work in furtherance hereof, the CONTRACTOR certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

## **ARTICLE 30 - MODIFICATIONS OF WORK**

The COUNTY reserves the right to make changes in Scope of Work, including alterations, reductions therein, or additions thereto. Upon receipt by the CONTRACTOR of the COUNTY's notification of a contemplated change, the CONTRACTOR shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change; (2) notify the COUNTY of any estimated change in the completion date; and (3) advise the COUNTY if the contemplated change shall affect the CONTRACTOR's ability to meet the completion dates or schedules of this Contract.

If the COUNTY so instructs, in writing, the CONTRACTOR shall suspend work on that portion of the Scope of Work affected by a contemplated change, pending the COUNTY's decision to proceed with the change.

If the COUNTY elects to make the change, the COUNTY shall initiate a Contract Amendment, and the CONTRACTOR shall not commence work on any such change until such written amendment is signed by the CONTRACTOR and approved and executed on behalf of Palm Beach County.

## **ARTICLE 31 - NOTICE**

All notices required in this Contract shall be sent by certified mail (return receipt requested), hand delivered, or sent by other delivery service requiring signed acceptance. If sent to the COUNTY, notices shall be addressed to:

Kathleen M. Scarlett, Director  
Purchasing, Palm Beach County  
50 South Military Trail, Suite 110  
West Palm Beach, FL 33415

With a copy to:

Nancy Bolton, Director  
Risk Management Department  
Palm Beach County  
160 Australian Avenue  
West Palm Beach, FL 33406



If sent to the CONTRACTOR, notices shall be addressed to:

Kenneth Picton, Vice President  
Preferred Governmental Claim Solutions (PGCS)  
615 Crescent Executive Court, Suite 600  
Lake Mary, Florida 32746

#### **ARTICLE 32 - CONFIDENTIALITY OF DATA**

All data furnished by the COUNTY, or generated as a result of services performed under this agreement, and other information designated by the COUNTY in writing, shall be treated as confidential to the extent permitted by law. CONTRACTOR reserves the right to use statistical information or other data, so long as the COUNTY's name and/or confidential data are adequately protected.

#### **ARTICLE 33 - REPORTING**

CONTRACTOR will not assume that other coverage (unknown to CONTRACTOR) exists for a qualified claim or loss. CONTRACTOR shall not be responsible for reporting to carriers on a type of claim or loss not managed by CONTRACTOR.

#### **ARTICLE 34 - FINES AND PENALTIES**

CONTRACTOR shall not be responsible for any fines or penalties assessed by any governmental agency because of the acts or omissions of the COUNTY, or by previous or successor claim administrators. CONTRACTOR shall not be responsible for any fines or penalties assessed as a result of delaying submissions of first reports of injury due to inaccurate or improperly reported information provided by the COUNTY. CONTRACTOR shall be responsible for any fines or penalties assessed on any governmental agency because of the acts of omission of CONTRACTOR.

#### **ARTICLE 35 - RECORDS RETENTION**

CONTRACTOR will retain claim files for twenty-four (24) months following date of closure. Thereafter, files will be returned to the COUNTY or forwarded to such location as may be designated by the COUNTY for continued storage. CONTRACTOR will retain hardcopy checks for twenty-four (24) months following the date of bank clearance. Thereafter, copies of checks will be maintained on microfiche.

#### **ARTICLE 36 - SUBROGATION**

To the extent CONTRACTOR is involved in pursuing recoveries against third parties or otherwise undertaking subrogation activities on behalf of COUNTY, CONTRACTOR is authorized to collect, in the name of the COUNTY or in the name of CONTRACTOR, all funds due as a result of such recovery or subrogation activities. CONTRACTOR shall

not be required to establish any trust accounts for the benefit of COUNTY, but shall promptly and fully account for all funds so received.

**ARTICLE 37 - NON-U.S. DOLLAR TRANSACTION**

In the event that CONTRACTOR handles any non-U.S. Dollar claims, COUNTY shall be responsible for any rate fluctuations.

**ARTICLE 38 - ENTIRETY OF CONTRACTUAL AGREEMENT**

The COUNTY and the CONTRACTOR agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms, and conditions contained in the Contract may be added to, modified, superseded, or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 30 - Modifications of Work.

**ARTICLE 39 - REGULATIONS; LICENSING REQUIREMENTS:**

The CONTRACTOR shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, to include those applicable to conflict of interest and collusion. CONTRACTOR is presumed to be familiar with all federal, state and local laws, ordinances, codes and regulations that may in any way affect the services offered.

**THE REST OF THIS PAGE LEFT BLANK INTENTIONALLY**

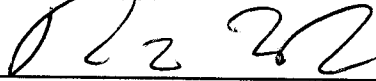
Execution of this Contract by the Director of Purchasing Is Not Legally Binding or in Effect until Approved by the Palm Beach County Board of County Commissioners.

IN WITNESS WHEREOF, the Director of Purchasing of Palm Beach County, Florida, on behalf of the COUNTY, and the CONTRACTOR have executed this Contract on the day and year above written.

PALM BEACH COUNTY, FLORIDA FOR ITS  
BOARD OF COUNTY COMMISSIONERS  
BY KATHLEEN M. SCARLETT  
DIRECTOR OF PURCHASING

\_\_\_\_\_  
Kathleen M. Scarlett, Director

WITNESSES:



Signature

KEVIN M. MEEHAN BY:  
Name (type or print)



Signature

Gail Stearman  
Name (type or print)

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By \_\_\_\_\_  
County Attorney

CONTRACTOR:

Preferred Governmental Claim Solutions  
(PGCS)

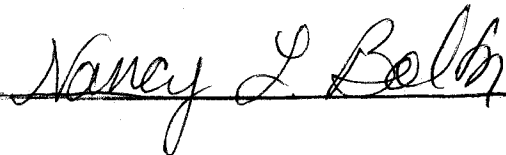
\_\_\_\_\_  
Company Name

  
Signature

Kenneth Picton  
Typed Name

Vice President  
Title

Department Director



**EXHIBIT A**  
**SCOPE OF WORK/SERVICES**  
**Contract No. 09-046/DL**

Palm Beach County (COUNTY) is seeking a qualified Third Party Administrator (TPA) to provide claims adjusting and related services to the Risk Management Department for its self-insured and self-administered Workers' Compensation Program within the provisions of Chapter 440 of the Florida State Statutes and within the established protocol and procedures of the COUNTY. The COUNTY is particularly interested in achieving savings through outsourced bill and utilization review, PPO networks, and Prescription Benefit Management (PBM) that it is not currently enjoying with the current in-house program. The COUNTY is not seeking a formal Managed Care program. The COUNTY will give preference to CONTRACTORS able to provide on-site adjusters.

The COUNTY's Workers' Compensation Manager will provide guidance, and be regularly involved in the day to day claims management operations, with the selected TPA's on- site adjusters, and to insure that all the COUNTY's account instructions are adhered to.

**4.1 CONTRACTOR'S RESPONSIBILITIES**

The CONTRACTOR shall perform the following services:

- A. Provide two (one lost time and one medical only) qualified, experienced licensed in Florida professional adjusters to handle Workers' Compensation claims. The COUNTY prefers that these adjusters work on-site, at the COUNTY's Risk Management offices Monday through Friday, 8:30 a.m. – 5:00 p.m. (excluding holidays).
- B. File all required and appropriate forms with the State of Florida (DWC 1, DWC 4, etc.)
- C. Accept or deny all reported claims for employees' injuries on behalf of the COUNTY in accordance with the applicable Workers' Compensation Statutes. The decision to controvert a claim must first be discussed with and approved by the COUNTY.
- D. Review each report of injury submitted by the COUNTY during the term of the Contract.
- E. Provide courteous, responsive and sensitive service to the injured employee in all dealings.
- F. Contact the claimant within forty-eight (48) hours of report of injury.

- G. Contact the claimant's supervisor within forty-eight (48) hours of receipt of report of injury.
- H. Conduct an investigation of each qualified claim or loss to the extent deemed necessary.
- I. Provide bill review and payment services in a manner which allows the COUNTY to realize savings currently not enjoyed through its current practice of "in-house" fee-schedule only repricing.
- J. Pay, in a timely fashion per Florida electronic data interchange (EDI) guidelines, all claims and expenses. Fees, interest and civil penalties incurred due to late payments or adjuster mishandling are to be paid by the CONTRACTOR unless caused by late reporting by the COUNTY.
- K. Maintain a file for each claim which shall be available for review by the COUNTY and contained on the COUNTY's premises.
- L. Adjust all qualified claims:
  - 1) Within the provisions of Florida Statute 440.
  - 2) Within the provision and procedures of the Palm Beach County Board of County Commissioners.
- M. Perform necessary and customary administrative and clerical work in connection with each claim, including the preparation of checks, letters, and any other required documentation to adjust a claim.
- N. Establish and update claim reserves as needed, under the direction of the COUNTY's Manager of Workers' Compensation.
- O. Assist the COUNTY in establishing banking arrangements for reimbursement of claim and expense payments as described in Section 4.2 BANKING ARRANGEMENTS.
- P. Coordinate investigations on litigated claims with attorneys representing the COUNTY and with representatives of the excess carrier, as required. It is expressly understood that all legal costs and loss payments will be charged to the COUNTY.
- Q. Investigate and pursue all subrogation and lien possibilities on the COUNTY's behalf, copying the Manager of Workers' Compensation on all efforts. Funds received from all subrogation collections shall be considered revenue of the COUNTY.

- R. Provide an automated risk management information system (RMIS) accessible via internet access 24/7, and provide authorized COUNTY personnel with electronic access to the system.
- 1) The CONTRACTOR shall provide secured simultaneous access for a maximum of ten (10) authorized COUNTY personnel.
  - 2) The COUNTY shall be able to access such items as claim reports, specific claim file adjuster's notes, expense and claim payment information.
  - 3) The COUNTY shall be able to use the system to retrieve pertinent data which shall contain a host of ready to run statistical reports, as well as to allow for the ability to create ad hoc reports.
  - 4) The CONTRACTOR shall provide all necessary training required by COUNTY personnel to access and use the system as described in the Scope of Work/Services.
  - 5) The CONTRACTOR shall prepare, maintain, and file statistical data, records or reports as required by the State of Florida, or the self-insured plan actuaries. This includes statistical information required by the Workers' Compensation rating bureaus, including all data required for the promulgation of the COUNTY's experience modification and State assessments.
  - 6) All charges related to these services identified herein are to be included in the annual claims administration fee on the proposal form. Any costs associated with programming changes that are necessary to create a report required by the COUNTY are the responsibility of the CONTRACTOR.
- S. Comply with all State of Florida electronic data interchange (EDI) requirements.
- T. Assist the COUNTY in selecting appropriate experts or specialists as the claims may require, including a Workers' Compensation PPO network.
- U. Provide personnel needed to perform the services described in the Scope of Work/Services.
- 1) The COUNTY desires that CONTRACTOR have the ability to offer dedicated on-site staff, i.e.: one (1) lost time adjuster and one (1) medical only adjuster for the Contract.

- V. Attend monthly COUNTY litigation team meetings, usually scheduled for the second Thursday of each month at 10:00 a.m. Meetings are usually held at the offices of Clarke & Platt, P.A., in West Palm Beach, FL.

#### **4.2 BANKING ARRANGEMENTS**

- 4.2.1 The COUNTY prefers that the CONTRACTOR or its contracted agent pay all medical bills, indemnification, allocated loss and expense (ALAE) and settlements, etc., and provide COUNTY with an electronic payment register of payments on a weekly basis.
- 4.2.2 The COUNTY will wire transfer to the CONTRACTOR reimbursement for authorized payments made during the prior week. Any impress balance required by the CONTRACTOR shall be approved by the COUNTY.

**THE REST OF THIS PAGE LEFT BLANK INTENTIONALLY**

**EXHIBIT B**  
**CONTRACTOR'S PROPOSAL DATED MAY 26, 2009**  
**Contract No. 09-046/DL**  
(187 Pages)





# CERTIFICATE OF LIABILITY INSURANCE

OP ID JW  
BROWN-3DATE (MM/DD/YYYY)  
06/26/09

<b>PRODUCER</b> Brown & Brown of Florida, Inc. Daytona Beach Office P.O. Box 2412 Daytona Beach FL 32115-2412 Phone: 386-252-9601 Fax: 386-239-5729	<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>												
<b>INSURED</b>  BROWN & BROWN INC ETAL P O BOX 2412 DAYTONA BEACH FL 32115	<table><tr><th>INSURERS AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: XL Specialty Ins Co</td><td>37885</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr></table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: XL Specialty Ins Co	37885	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURERS AFFORDING COVERAGE	NAIC #												
INSURER A: XL Specialty Ins Co	37885												
INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$  BODILY INJURY (Per person) \$  BODILY INJURY (Per accident) \$  PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$  OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<b>EXCESS / UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>INS AGENTS/BROKERS PROF LIAB E&amp;O</b>	ELU10636408	08/23/08	08/23/09	EACH LOSS \$5,000,000 & AGG

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CANCELLATION: EXCEPT 10 DAYS FOR NON-PAYMENT OF PREMIUM

## FOR INFORMATION

NAMED INSURED: PREFERRED GOVERNMENTAL CLAIM SOLUTIONS dba PGCS

## CERTIFICATE HOLDER

## CANCELLATION

<b>PGCSC01</b>  PGCS CLAIM SERVICES P O BOX 958456 LAKE MARY FL 32795-8456	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE 
--	---

ACORD 25 (2009/01)


© 1988-2009 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD

<b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>		OP ID JW BROWN-3	DATE (MM/DD/YYYY) 03/17/09
<b>PRODUCER</b> Brown & Brown of Florida, Inc. Daytona Beach Office P.O. Box 2412 Daytona Beach FL 32115-2412 Phone: 386-252-9601 Fax: 386-239-5729		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b>  BROWN & BROWN INC ETAL P O BOX 2412 DAYTONA BEACH FL 32115		<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>
		INSURER A: Travelers Prop & Cas of Amer	25674
		INSURER B: National Surety Corporation	21881
		INSURER C: Charter Oak Fire Insurance Co	
		INSURER D: XL Specialty Ins Co	37885
		INSURER E: Fidelity and Deposit Ins Co	

COVERAGES							
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	6305355C241	07/19/08	07/19/09	EACH OCCURRENCE	\$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
						PERSONAL & ADV INJURY	\$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	\$ 2,000,000
		<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG	\$ 2,000,000
A		AUTOMOBILE LIABILITY	BA6854C201	07/19/08	07/19/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input checked="" type="checkbox"/> HIRED AUTOS					
		<input checked="" type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
B		EXCESS/UMBRELLA LIABILITY	SUO00081071037	07/19/08	07/19/09	EACH OCCURRENCE	\$ 10,000,000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 10,000,000
							\$
							\$
		DEDUCTIBLE				\$	
		RETENTION \$				\$	
C A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	9517B580-08	07/19/08	07/19/09	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?	9517B761-08	07/19/08	07/19/09	E.L. EACH ACCIDENT	\$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
D E		INS AGENTS E&O EMP DIS/FIDELITY	ELU106364-08 CCP0061089 - \$250,000 DED	08/23/08 04/28/07	08/23/09 04/28/10	EACH LOSS BLANKET	\$10,000,000 \$25,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS	
CANCELLATION: EXCEPT 10 DAYS FOR NON-PAYMENT OF PREMIUM	
FOR INFORMATION	
NAMED INSURED: PREFERRED GOVERNMENTAL CLAIM SOLUTIONS, INC. dba PGCS.	

CERTIFICATE HOLDER	CANCELLATION
PGCSC01	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
PGCS CLAIM SERVICES P O BOX 958456 LAKE MARY FL 32795-8456	AUTHORIZED REPRESENTATIVE 



# CERTIFICATE OF LIABILITY INSURANCE

OP ID JW  
BROWN-3DATE (MM/DD/YYYY)  
06/29/09

<b>PRODUCER</b> Brown & Brown of Florida, Inc. Daytona Beach Office P.O. Box 2412 Daytona Beach FL 32115-2412 Phone: 386-252-9601 Fax: 386-239-5729	<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>												
<b>INSURED</b>  BROWN & BROWN INC ETAL P O BOX 2412 DAYTONA BEACH FL 32115	<table><tr><th>INSURERS AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Fidelity and Deposit Ins. Co.</td><td></td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr></table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: Fidelity and Deposit Ins. Co.		INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURERS AFFORDING COVERAGE	NAIC #												
INSURER A: Fidelity and Deposit Ins. Co.													
INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$  BODILY INJURY (Per person) \$  BODILY INJURY (Per accident) \$  PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$  OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<b>EXCESS / UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	<b>OTHER</b>				
<b>A</b>	<b>EMP DIS/FIDELITY</b>	CCP0061089 - \$250,000 DED	04/28/07	04/28/10	BLANKET \$25,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CANCELLATION: EXCEPT 10 DAYS FOR NON-PAYMENT OF PREMIUM

## FOR INFORMATION

NAMED INSURED: PREFERRED GOVERNMENTAL CLAIM SOLUTIONS dba PGCS

## CERTIFICATE HOLDER

## CANCELLATION

<b>PGCSC01</b>  PGCS CLAIM SERVICES P O BOX 958456 LAKE MARY FL 32795-8456	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE 
--	---

ACORD 25 (2009/01)

© 1988-2009 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD

**RESOLUTION NO. R-2009-**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS  
OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE  
ESTABLISHMENT OF A BANK ACCOUNT WITH WACHOVIA  
BANK, N.A. FOR THE PAYMENT OF WORKERS'  
COMPENSATION CLAIMS WITH A BEGINNING RESERVE  
DEPOSIT OF \$750,000**

**WHEREAS**, Florida Statute 136.091 provides authorization for a board of county commissioners to contract with an approved service organization to provide self-insurance services, including, but not limited to, the evaluation, settlement, and payment of self-insurance claims on behalf of the board, and pursuant to such contract, the board may advance money to the service organization to be deposited in a special checking account for paying claims against the board under its self-insurance program, and;

**WHEREAS**, the Board of County Commissioners, contemporaneous with the adoption of this resolution, has approved a contract with Preferred Governmental Claims Solutions – PGCS for the purpose of providing claims administration service for its self-insured workers' compensation program.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA**, that: The Palm Beach County Board of County Commissioners hereby authorizes the establishment of a bank account with Wachovia Bank N.A. to be used to pay workers' compensation claims by the contracted service provider, Preferred Governmental Claims Solutions – PGCS, with a beginning reserve deposit of \$750,000.00 to be replenished weekly upon receipt of documentation for claims paid equal to the amount of the requested reimbursement.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

District 1:	Karen T. Marcus
District 2:	John F. Koons
District 3:	Shelley Vana
District 4:	Steven L. Abrams
District 5:	Burt Aaronson
District 6:	Jess R. Santamaria
District 7:	Priscilla A. Taylor

The Chairperson thereupon declared the Resolution duly passed and adopted  
this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD  
OF COUNTY COMMISSIONERS

SHARON R. BOCK, CLERK

By: \_\_\_\_\_  
Deputy Clerk

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By: \_\_\_\_\_  
County Attorney