



LEHIGH VALLEY

**Brown & Brown of Lehigh Valley, LP**

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## Luzerne County Insurance Brokerage Services Recap of 2020 RFP response

### Introduction

Insurance brokerage services is one of several professional services purchased by municipalities, like legal and engineering. For this reason, municipalities look at the level and strength of services provided in addition to the fee charged. While the cost of such services should be fair, there are many other factors to consider when selecting a provider. Brown & Brown offers the following:

- Experience with governmental entities, and specifically with those of similar size and scope
- Previous experience with the County of Luzerne and the successful delivery of services that met or exceeded the County's requirements and expectations
- Individuals assigned to the County are Brown & Brown's most experienced with municipalities and the exposures they face.
- We employ the latest tools and technology to manage claims, and provide Risk Management, Claims management as well as day to day servicing.
- A track record of proven cost containment for the County's insurance policies since 2013 (see attached premium history exhibit)

## Why choose Brown & Brown?

- Proven Experts in Lowering Total Cost of Risk
- Dedicated On-Staff Certified Risk Managers to Analyze Claims, Recommend Corrective Actions & Provide Training
- Aggressive Marketing Department Providing Annual Marketing Results Summary
- Proprietary Methods That Maximize Value
  - Policy Coverage Analysis (See Checklist Exhibit)
  - Building Appraisal Software
  - Benchmarking of Claims using Advisen Risk Services
- Workers Compensation Focus
  - Experience Mod Factor Projection/Verification & Goal Setting
  - Attendance at Safety Committee Meetings
  - Payroll Audit Reviews
  - Doctor Panel Selection
  - Return to Work Development and Implementation
- Proven Claims Administration Process
  - Open Claim Reserve Reductions
  - Proprietary Claims Analysis
  - Aggressive Claims Management
  - Oversight on Claims Involving Outside Defense Council
  - Monitor Claim Expenses
- On-Site Inspections by Certified Risk Managers
  - Hazard Identification via Site Inspections; Determine Adequacy of Existing

### Insurance Coverage

- Webinar and/or On-Site Training Focused on Claim Trends and Requests by the County
- Post Accident Analysis to Recommend Training
- OSHA Level Benchmarking
  - Work with Insurance Company Loss Control
  - Safety Committee Formation & Maintenance
  - Adhere to Highest Ethical Standards
  - Corporate Quality Control Process & Oversight
  - E&O Insurance Expertise
  - Review of Contracts and Hold Harmless Agreements

## Brown & Brown Accomplishments (2013-2019 ytd)

Please refer to separate handout

## Broker Services Considerations

While many brokers may indicate they have certain **capabilities** that would seem to meet the requirements of the RFP, what is most important is what brokerage firms have **actually done** for similar clients. Therefore, we respectfully ask that the County consider the following factors when comparing services offered by brokers submitting proposals for Insurance Brokerage Services:

- Can the broker provide a copy of an Accident & Illness Prevention Program manual prepared for a client, which was in compliance with Labor & Industry requirements?
- Has the broker worked with another self-insured client through a Labor & Industry audit which resulted in a successful compliance?
- Can the broker provide samples of stewardship reports for another County they insure detailing services provided and accomplishments?
- Has the broker provided examples of claims analyses that they have prepared for another County on a quarterly basis?
- Does the broker offer safety webinars and has provided annual schedules of same?
- Can the broker provide examples of contract review to address adequacy of insurance requirements?
- Has the broker provided copies of site inspections performed by the broker versus the insurance company?
- Does the broker have a separate Marketing department dedicated to accessing all available insurance companies for the best insurance quotes?
- Does the broker offer Toolbox talks/Safety Videos in addition to what the insurance companies provide?
- Has the broker indicated the number of hours they anticipate dedicating to the county for all services as required by the RFP?



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**County of Luzerne**  
**Brown & Brown Accomplishments**  
**For policy years 2013 through 2019 ytd**

**A. Reducing the frequency and severity of claims:**

- Meeting with county staff to discuss various Healthcare issues such as incentives to promote better health and less utilization
- Meeting with county staff, and representatives from Geisinger and NEPA Blue Cross to discuss Wellness initiatives available to the county
- Wellness Initiative objectives finalized. Discussion of rollout dates
- Created Motor Vehicle accident report showing claim dollars by department and driver
- Quarterly work comp and property/liability claim reviews provided. Overall the number of claims and dollar amounts of claims are down, with the exception of Children & Youth
- Identified workers who have had a high frequency of claims, to be addressed by their respective managers.

**B. Provide Risk Management Services**

- Meeting with Risk Manager and safety committee to discuss Risk Management for the County, and scheduling of training. Loss analysis prepared by Brown & Brown
- Inspection of the county jail by Risk Manager to evaluate policies and procedures as respects the work comp claims at the prison. The assessment contained a detailed loss analysis of the causes and types of claims at the jail and recommendations to improve same.
- Follow up discussion on courthouse Life/Safety issues raised during 6/25/14 inspection by Brown & Brown
- Meeting with county staff to discuss Prison risk assessment review
- Presentation to county staff (mostly managers/dept heads) by Risk Manager to discuss good policies and procedures to reduce public officials claims.
- Courthouse Life/Safety Inspection performed by Brown & Brown. Report produced with recommendations to improve safety and reduce claims
- Restarted monthly work comp safety committee meetings. These meetings are essential to keep down work comp self-insurance costs and comply with state

requirements. The Brown & Brown risk manager has the necessary credentials to provide the assistance needed to meet your statutory obligations.

- Creation of a general OSHA safety manual for all buildings and grounds by Brown & Brown Risk Management
- Creation of a “tool box talks” binder with more than 100 brief safety subjects for Tanis Manseau, Director of Operations.
- Numerous in person and webinar training sessions provided on a variety of safety topics by our staff.
- Annual site inspections
- **Helped the County receive a passing grade for their Work Comp Audit by Labor and Industry**
- Development of a new employee safety training power point
- Provided acceptable/unacceptable driving record stands to the County
- **Helped make the Accident & Illness Prevention program compliant with the Department of Labor & Industry standards**
- Provided workplace violence training

**C. Evaluate and Monitor the adequacy of the County’s insurance coverage:**

- Added jail premises liability coverage to fill a coverage gap that existed prior to our appointment as broker of record. This coverage gap had resulted in at least 1 claim not being covered by previous insurance.
- **Cyber Insurance deductible reduced from \$150,000 to \$10,000 in 2017**
- **Added Luzerne County as an additional insured on the C & Y policy to reduce the County’s exposure from C & Y actions**
- Increased the liability limit on the C & Y policy which was previously inadequate
- **Negotiated a better “consent to settle” provision** in the public official’s liability policy to prevent a repeat of the negative outcome of a large out of pocket expense by the County on the Wren claim (this claim occurred prior to our appointment as broker for the county). Going forward, the new insurance company will share 50/50 with any claim amounts that have to be paid in excess of a settlement offer rejected by the County.
- **Reduced the Public Official’s liability deductible from \$150,000 to \$100,000 per claim, while reducing the premium** at the same time
- Assisted with numerous contract reviews to protect the interest of the County. Most recently with the Riverfest events.

**D. Improve the claims administration process**

- 2013-2019
  - Received and reported over 225 claims through our in house claims coordinator. While we have no way of measuring the exact hours spent on claims reporting and administration, we estimate it has to be in excess of 100 Hours

- 2013-2019: Work comp claims analyses prepared every year by cause of loss, department, and body part.
- 2013
  - Meetings with county staff and representatives from Excalibur to discuss the claims data relevant to the excess work comp and to establish a regular meeting schedule with the county and the claims TPA
  - Completion of extensive work comp claims analysis broken down by department, root cause, open versus closed claims, and related reserves
- 2014-2019
  - Established an **Open liability claims summary report that is updated annually** for use by the county and our office to focus on claim resolution. This information was also used to good advantage in the annual policy remarketing efforts **to reduce the renewal premium.**
  - Several meetings with County Solicitor, insurance company defense counsel, Brown & Brown, and PGU to review all open and closed Public Officials Liability claims. The objective being to better manage these claims, identify any root causes or actions that can be addressed to reduce future claims, and discuss settlement philosophies, and deductible levels.
- 2016 and ongoing
  - Created a spreadsheet showing expenses **paid by the county** for Public Official claims that fell within the County's deductible. This effort yielded immediate and positive results by demonstrating to prospective insurer's that the current premium and deductible levels were unwarranted based on the data we provided them. This was the **first time** anyone had ever undertaken this analysis for the county
  - Worked to evaluate and change coverage counsel on several claims
- 2017 and ongoing
  - Established a spreadsheet identifying coverage counsel options by type of policy for easy reference by the County Solicitor's office and to assist in tracking down claim status.
  - Improved coordination of claims handling, when both the County and one of the agencies are named in a suit, by adding the county as additional insured to the agency policies.

**E. Ongoing insurance policy marketing efforts:**

Brown & Brown has diligently sought alternate quotes from all available insurance providers since we were first appointed as agent of record for the County. We have **consolidated policies**, recommended and implemented new insurance companies numerous times to reduce cost and improve coverage. As a leading National Insurance Broker, not only do we have access to insurance companies utilized by the Bethlehem, Pa office but we also can tap into resources used by other offices owned by Brown & Brown. The volume of insurance we have with insurance companies from our combined nationwide offices (Such as Travelers Insurance) gives

us unparalleled bargaining power when negotiating terms and conditions. Additionally, our office is unique in that we have a 4 person Marketing Department whose sole purpose is to negotiate the best possible coverage and price with our vast network of insurance companies. Through this remarketing effort we have obtained the price reductions and coverage improvements over the years. Attached are the summaries of our renewal marketing efforts since becoming the County's agent of record.

- Meeting with County staff to discuss Medical Stop loss program and reimbursements to be distributed. Brown & Brown helped to obtain Medical Stop Loss reimbursements to the county in excess of **\$800,000**
- Teleconference to discuss renewal remarketing: markets approaching, claims data, etc.
- Meeting with county staff to discuss short term disability option to reduce sick time usage
- Meeting with county staff and consultant to discuss renewal quotes and options, including marketing results for all companies approached
- Complete restructuring of the existing Medical Insurance plan for the County. After extensive negotiations, the entire program was consolidated with BCNEPA, on a 3 year arrangement. Estimated **savings the first year of \$160,412**. Comparable savings anticipated for 2015 and 2016. Additional negotiations on the stop loss produced an estimated **savings of \$33,854 for 2014**.
- Overall package renewal premiums in 2014 came in \$50,000 less than budgeted amounts. The actual 2014 premium increase over 2013 was due primarily to an increase on one policy: Public Officials Liability, due to high claims activity.
- Negotiated a lower rate and a 2 year rate lock for the Group Life/ AD& D policy
- Cumulative **premium reduction for the last 5 years of \$77,897** for the County's policies, not including savings on the Medical Stop Loss policy

### Luzerne County Premium Comparison

<b>Luzerne County</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Property/Inland Marine	\$ 172,236	\$ 183,827	\$ 186,391	\$ 148,518	\$ 150,072	\$ 175,950	\$ 188,981
General Liability	\$ 79,608	\$ 87,120	\$ 92,386	\$ 79,427	\$ 79,317	\$ 95,255	\$ 96,552
Auto	\$ 89,988	\$ 78,116	\$ 83,308	\$ 75,485	\$ 78,304	\$ 81,985	\$ 91,528
Umbrella	\$ 61,295	\$ 65,369	\$ 70,700	\$ 43,653	\$ 43,332	\$ 46,004	\$ 41,478
Excess Workers Comp	\$ 106,966	\$ 110,788	\$ 116,332	\$ 124,740	\$ 130,536	\$ 143,120	\$ 151,896
Fiduciary	\$ 2,696	\$ 2,859	\$ 2,906	\$ 3,110	\$ 3,199	\$ 3,216	\$ 2,910
Dispatch	\$ 19,738	\$ 19,588	\$ 23,183	\$ 28,340	Included	Included	Included
Law Enforcement	\$ 244,957	\$ 236,135	\$ 213,126	\$ 203,897	\$ 221,833	\$ 198,304	\$ 224,148
Public Defenders	\$ 13,093	\$ 14,601	\$ 15,810	\$ 20,061	\$ 21,150	\$ 21,150	\$ 21,150
Public Officials	\$ 245,349	\$ 327,264	\$ 327,264	\$ 339,966	\$ 219,424	\$ 210,000	\$ 210,000
Cyber	Included	Included	Included	Included	\$ 17,068	\$ 20,547	\$ 20,666
Crime	\$ 8,034	\$ 9,285	\$ 10,550	\$ 21,300	\$ 20,956	\$ 20,956	\$ 20,956
Pollution	\$ 6,811	\$ 4,800	Included	Included	Included	Included	Included
<b>TOTAL</b>	<b>\$ 1,050,771</b>	<b>\$ 1,139,752</b>	<b>\$ 1,141,956</b>	<b>\$ 1,088,497</b>	<b>\$ 985,191</b>	<b>\$ 1,016,487</b>	<b>\$ 1,070,265</b>
<b>TOTAL CLAIMS AMOUNTS</b>	<b>\$ 133,517</b>	<b>\$ 254,643</b>	<b>\$ 427,057</b>	<b>\$ 1,041,928</b>	<b>\$ 1,179,973</b>	<b>\$ 481,364</b>	<b>\$ 651,936</b>

<b>AGENCIES</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Keystone Job Corp	\$ 31,312	\$ 34,739	\$ 35,661	\$ 61,936	\$ 62,488	\$ 63,063	\$ 64,210
Area Agency on Aging	\$ 11,659	\$ 14,601	\$ 15,245	\$ 16,334	\$ 16,561	\$ 17,579	\$ 17,325
Luzerne Wyoming MH/DS	\$ 10,328	\$ 11,562	\$ 12,234	\$ 12,603	\$ 13,591	\$ 13,734	\$ 15,354
Drug & Alcohol						\$ 5,246	\$ 5,246

Children & Youth	\$ 139,228	\$ 146,695	\$ 144,527	\$ 139,808	\$ 176,735	\$ 421,960	\$ 422,960
<b>Total C&amp;Y Claims</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 712,607</b>	<b>\$ 174,500</b>	<b>\$ 189,101</b>	<b>\$ 160,000</b>	<b>\$ 10,000</b>