

AGENDA ITEM TRANSMITTAL		Agenda Time Estimates: <input checked="" type="checkbox"/> 10 Minutes or <input type="checkbox"/> Consent	Leave Blank: <div style="font-size: 1.5em; text-align: center;">36</div>	Date/Time Rec'd: <div style="font-size: 1.2em;">6/28/05</div>
TO: BOARD OF SUPERVISORS FROM: County Counsel		CONTACT FOR INFORMATION: Name: Claude Biddle Phone No: 6364040		NUMBER OF CERTIFIED COPIES REQUIRED:
MEETING DATE: July 5, 2005	(1) SUBJECT Resolution Authorizing George Hills Company to Reject, Settle, Compromise or Approve Third Party Claims Filed Against the County			
(2) BACKGROUND INFORMATION: Presently all third party liability claims by virtue of an agreement between Trindel Insurance Fund and George Hills Company are routed by the Board Clerk to George Hills, acting as our third party administrator, for review and comment. George Hills reviews the claim and returns the claim, with comments, for submittal to the Board for further action. As a matter of course these claims have been rejected by the Board with few exceptions; the rejection commences the statutory time wherein the claimant may file suit. By delegating the authority to George Hills to act on the claim in the Board's stead by rejecting the claim or if merited by the facts, approving, settling or compromising same we may avoid unnecessary litigation; all settlements are subject to county counsel's approval.				
(3) SUPPORTIVE DOCUMENTS RELATIVE TO THIS ITEM:		(4) PREVIOUS RELEVANT BOARD ACTIONS ON THIS SPECIFIC ITEM:		
(5) FUNDING SOURCE(S):		(6) CURRENT YEAR COST: \$	(7) ANNUAL COST: \$	(8) BUDGETED: <input type="checkbox"/> YES <input type="checkbox"/> NO
(9) WILL PROPOSAL REQUIRE ADDITIONAL PERSONNEL? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, STATE NUMBER: <div style="display: flex; justify-content: space-between; width: 80%; margin-left: 100px;"> Permanent Limited Term </div>				
(10) RECOMMENDED ACTION(S): Adopt resolution entitled: A RESOLUTION AUTHORIZING THE CONTRACT THIRD PARTY ADMINISTRATOR TO REJECT, SETTLE, COMPROMISE OR APPROVE CLAIMS FILED AGAINST THE COUNTY OF SAN BENITO				
<div style="text-align: center;"> SIGNATURE OF AGENCY OR DEPARTMENT AUTHORIZED REPRESENTATIVE </div>		<div style="text-align: center;"> June 29, 2005 DATE </div>		
(11) ADMINISTRATIVE REVIEW:				

CLERK'S USE ONLY

<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> ACKNOWLEDGED <input type="checkbox"/> SET PUBLIC HEARING	<input type="checkbox"/> DENIED <input type="checkbox"/> ACCEPTED <input type="checkbox"/> APPOINTED	<input type="checkbox"/> ADOPTED <input checked="" type="checkbox"/> RESOLUTION NO. <u>2005-76</u> <input type="checkbox"/> ORDINANCE NO. _____	<input type="checkbox"/> CONTINUED TO _____ <input type="checkbox"/> OTHER _____ <input type="checkbox"/> NO ACTION TAKEN _____
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BY: Deputy Clerk of the Board DATE: <u>July 5, 2005</u>	
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COUNTY OF SAN BENITO
OFFICE OF THE COUNTY COUNSEL

CLAUDE L. BIDDLE
Interim County Counsel

481 Fourth Street, 2nd Floor
Hollister, CA 95023
(831) 636-4040
(831) 636-4044 Fax

Deputies
SHIRLEY L. MURPHY
IRMA F. VALENCIA

DATE: June 28, 2005
TO: The Honorable Board of Supervisors
FROM: Claude Biddle, Interim County Counsel
SUBJECT: Delegation of Claims Rejection Duties/Settlement Authority

Summary:

Government Code section 31000.8 authorizes the Board to delegate certain risk management functions such as rejection of claims, and the approval, settlement and compromise of third party claims to a contractual claims administrator provided a contract between the parties authorizes such. It is our opinion that the county by virtue of its membership in the Trindell Insurance Fund, a Joint Powers Agency, has contractual authority to delegate such authority to our third party claims administrator, the George Hills Company.

Attached find a resolution which when approved and executed by the Board will permit George Hills Company to reject, approve, compromise or settle all third party tort claims against the county up to a maximum of \$20,000 without Board authority.

Recommendation:

Adopt Resolution authorizing the George Hills Company to reject, settle, compromise or approve claims filed against the county.

Discussion:

As a part of a continuing effort to reduce cost and avoid unnecessary litigation this office reviewed the claims handling procedures employed by the County. In that we have a most qualified and competent third party claims administrator, George Hills Company, under contract with Trindel Insurance Fund, the joint powers agency that provides liability coverage to our county, it the recommendation of this office that the George Hills Company be empowered to reject claims against the county and authorized to settle, approve and compromise such claims. This delegation would remove the Board from the ministerial function it has heretofore provided in rejecting claims. Settlement of

some claims at the earliest opportunity could result in a tremendous savings by avoiding unnecessary litigation.

Under a separate agreement between Trindel and George Hills Company, George Hills has agreed to perform specific duties and levels of service as the third party claims administrator for the individual members of the JPA. The agreement enumerates the claims management services:

1. Claims Management Services:
 - a. Review all claims received from members to determine coverage and a course of action shall be suggested to the individual member. Acknowledge receipt of the claim, from the member, within one working day and within seven (7) calendar days shall notify the member of the suggested course of action on the claim.
 - b. Communicate on a monthly basis with the individual members on the status of open claims.
 - c. Selection of defense and subrogation counsel shall be with the concurrence of the individual member. The CONTRACTOR will develop, with the TIF Executive Director, an approved defense counsel panel.
 - d. Appraise and evaluate damages, both real and potential, and establish appropriate reserves.
 - e. Conduct or have conducted appropriate investigations, appraisals and other analysis as deemed appropriate through communication with the individual member.
 - f. Review medical and other bills for appropriateness.
 - g. Follow the CSAC Excess Insurance Authority's (EIA) Underwriting and Claims Administration Standards and Reporting/Settlement/Reimbursement Procedures in a timely manner. Allow the EIA Claims auditor access to appropriate records for purposes of audit.
 - h. Meet, if requested, annually with the TIF Board to discuss the status of open claims and other related risk management issues. (See Attachment B.1.k for Time & Expense if applicable.)
 - i. The CONTRACTOR will make every effort to settle valid claims without the use of defense counsel.
 - j. Actively pursue subrogation after consulting with and concurrence from the individual member.
 - k. CONTRACTOR may be requested to assist with small claims court actions.

Government Code section 31000.8 authorizes the Board to delegate the responsibility of claims review and settlement authority to a third party claims administrator provided a contract between the parties authorizes such. It is our opinion that the county by virtue of its membership in the JPA has contractual authority to delegate this authority to the George Hills Company. Attachment A to the George Hills/Trindel agreement provides in pertinent part:

Settlement of claims will be with the concurrence of the individual member and possibly EIA. Some members may delegate, in writing, some level of settlement authority to the CONTRACTOR.

The resolution before you provides settlement authority in an amount not to exceed twenty thousand (\$20,000) dollars per claim which is the maximum authorized under Government Code section 31000.8.

Financial Consideration:

It is anticipated that this delegation of authority will allow for expedited handling of all claims and provide a timely resolution to some claims thereby avoiding the expense of unnecessary litigation and staff time.

BEFORE THE BOARD OF SUPERVISORS, COUNTY OF SAN BENITO

A RESOLUTION AUTHORIZING THE CONTRACT)
THIRD PARTY ADMINISTRATOR TO REJECT, SETTLE,)
COMPROMISE OR APPROVE CLAIMS FILED AGAINST)
THE COUNTY OF SAN BENITO)

Resolution No. 2005 - 76

WHEREAS, the County of San Benito, a member entity of the Trindel Insurance Fund, a Joint Powers Agency created pursuant to California Government Code Section 6500 et. seq., is a contractual beneficiary and receives professional services pursuant to an agreement between Trindel Insurance Fund and the George Hills Company, Incorporated, a third party claims administrator. George Hills Company, Incorporated, provides investigative, administrative and claims adjustment services relating to all public liability and claims against member entities of the Trindel Insurance Fund, and

WHEREAS, California Government Code Section 31000.8 provides that such third party administrator contracts may include the authority to reject public liability claims against the County, its officers and employees and that such rejection shall have the same effect as would the rejection of such a claim by the Board of Supervisors, and

WHEREAS, Government Code Section 31000.8 further provides that such contracts may include the authority to settle, compromise, and approve public liability claims against the County, its officers and employees within such limits and for such amounts as the Board of Supervisors may specify and provide that the firm may execute and issue checks in payment of such claims from a fund such as now established by the Board of Supervisors by virtue of the County's membership in the Trindel Insurance Fund, JPA, and

WHEREAS, this Board has determined that the interests of the County of San Benito will be best served by making such a delegation of authority to George Hills Company, Incorporated, with respect to all public liability claims, subject to the terms and conditions of the Trindel Insurance Fund agreement.

NOW, THEREFORE, THE BOARD OF SUPERVISORS RESOLVES AND ORDERS, that the County's third party claims administrator George Hills Company, Incorporated, presently retained to administer public liability claims against the County, is authorized to reject claims and to approve, settle or compromise all public liability claims, not rejected, and execute and issue checks in payment of such claims in a sum not to exceed Twenty Thousand Dollars per claim filed against the County, its officers and employees, provided that it obtains the prior written approval for any such approval, settlement or compromise from the San Benito County Counsel

AYES: SUPERVISORS: MARCUS; DE LA CRUZ; BOTELHO; LOE & MONACO

NOES: SUPERVISORS: NONE

ABSENT: SUPERVISORS: NONE

ABSTAIN: SUPERVISORS: NONE

By: 
Reb Monaco, Chair 7/5/05
San Benito County Board of Supervisors

ATTEST:

APPROVED AS TO LEGAL FORM:

JOHN. R. HODGES

JOHN R. HODGES, Clerk

Claude L. Biddle

CLAUDE L. BIDDLE, Interim County Counsel

By:

Sally Parvaz

, Deputy Clerk