



Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Gray
Mayor

Janet M. Graham
Commissioner

TO: Mayor Jim Gray
Members of the Urban County Council

FROM: Department of Law

DATE: June 15, 2015

SUBJECT: Claims Administration Services (Claims Management Services)

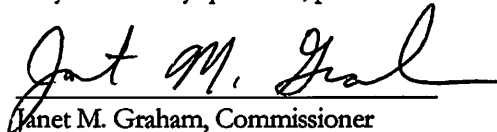
This memo is to request approval to amend the agreement for third party claims administration services (TPA) with Risk Management Services Co. to include acting as Claims Manager for the LFUCG. The imminent retirement of the Claims Manager (from the Claims Management section of the Department of Law) permitted the examination of the position to determine whether it would be more cost effective to contract with an outside company for the services provided by the employee. The retiring employee performed claims management services for the LFUCG.

The amendment provides that RMSC would serve as claims manager for a term of two years, from July 1, 2015, through June 30, 2017. The amendment requires that Risk Management Services be on site (at LFUCG) at least two days per week. Risk Management Services presently serves as third party administrator and adjuster for all claims related to the LFUCG.

The cost of the additional services is not to exceed \$78,000 for each Fiscal year (2016 and 2017). The salary and benefits of the LFUCG employee who performs these services is approximately \$127,546 per year (beginning FY 2016). The overall savings realized by contracting with Risk Management Services is about \$49,546 per year for the term of the amendment to agreement.

The funds are budgeted from account #s 6021-160906-73201, 6021-160906-73202, 6021-160906-73203, 6021-160906-73204.

The proposed Amendment to Agreement is attached. If you have any questions, please let me know.


Janet M. Graham, Commissioner