

10

CONTRACT RENEWAL OF
WORKERS' COMPENSATION
CLAIMS ADMINISTRATION

FOR 1986-87

CC-21.1(b)

Following receipt of a staff report regarding the City's
Workers' Compensation Administration Program, Council
approved and authorized the execution of the renewal of its
agreement with Leonard C. Russo Insurance Services, Inc.,
for workers' compensation claims administration for
1986-87.

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL FROM: THE CITY MANAGER'S OFFICE	DATE June 20, 1986	NO.
SUBJECT: Contract Renewal for Workers' Compensation Claims Administration 1986-87.		

PREPARED BY: Personnel Department

RECOMMENDED ACTION: That the City Council approve and authorize the execution of the renewal of an agreement with Leonard J. Russo Insurance Services, Inc. for workers' compensation claims administration for 1986-87.

BACKGROUND INFORMATION: Submitted for City Council review is the contract renewal for Leonard J. Russo Insurance Services Inc., Workers' Compensation Claims Administrator, for the 1986-87 contract year. Russo is recommending a renewal fee schedule based upon the fee of \$25,599 for the first 171 claims with the excess to be billed at the rate of \$149.80 per claim. This is the same fee schedule for the 1985-86 contract year resulting in no renewal increase.

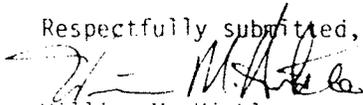
The 1985-86 contract year marks the close of the City's third year with L.J. Russo and it is a pleasure to report to the Council that the status of the City Workers' Compensation program has significantly improved when compared with prior years.

During the 1983-84 and 1984-85 contract years, the City incurred 164 and 177 new claims annually. This resulted in Russo requesting a 10% increase in the fee schedule last year. During the current contract year, the City of Lodi as of June 20 has 125 new claims filed which represents a 30% decrease from last year.

In addition to administering the City's new claims, it is the goal of Russo to attempt to clean up as many old files as quickly as possible thereby reducing costly expenses to the City's workers' Compensation Fund. The City now has 55 Indemnity files (claims) which are open and 18 Medical only files (claims) representing a total of 73 open files. Claims which have been reopened or were not settled by the City's former claims administrator (1977-1983) represent 23 indemnity files, two life-medical files, and one life pension resulting in a total of 26 additional claims remaining open, for a total of 99.

In sum, the overall claims administration program as well as individual Workers' Compensation cases have been handled in an expedient and professional manner.

Respectfully submitted,


William M. Hinkle
Personnel Officer

WMH/rw
attachment



Leonard J Russo

INSURANCE SERVICES INC

June 13, 1986

The City of Lodi
211 W. Pine Street
Lodi, CA 94530

Attn: Bill Hinkle

Dear Bill:

Per our telephone conversation of June 12, 1986 and my letter of June 10, 1986 regarding the worker's compensation contract renewal.

This document will serve as the final form for contract acceptance.

Please sign in the space provided below if you and the City Council are in agreement with the fee structure for the 1986-87 contract year:

\$25,599 for the first 171 claims. Claims in excess of 171 will be billed at the rate of \$149.80 each.

Very truly yours,

Mara Rigel (handwritten signature)

Mara Rigel
Client Services
Representative

Fred M. Reid (handwritten signature)
Fred M. Reid, Mayor

ATTEST:

Alice M. Reinche (handwritten signature)
Alice M. Reinche, City Clerk
The City of Lodi

ATTEST:

LJR, Inc.

June 25, 1986

Date

Date

2200 POWELL STREET, SUITE 400

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EMERYVILLE, CA 94662

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