

BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: May 16, 2007

Division: Employee Services

Bulk Item: Yes X No

Department: Risk Management

Staff Contact Person/Phone#: Maria L. Slavik X3178

AGENDA ITEM WORDING: Approval to accept proposal from Florida League of Cities to provide Professional Liability Insurance for Air Ambulance Nurses with Admiral Insurance Company at a cost of \$32,535.

ITEM BACKGROUND: Coverage is for Professional Liability extending coverage to the nurses participating in the County's Air Ambulance. The proposed policy would provide limits of \$1 million per claim, subject to an annual aggregate of \$3 million. There would be a \$5,000 deductible.

PREVIOUS RELEVANT BOCC ACTION: None

CONTRACT/AGREEMENT CHANGES: None

STAFF RECOMMENDATIONS: Approval to accept the proposal as submitted by the Insurance Agent, Florida League of Cities for the period of 4/26/07 – 4/26/08. Coverage was purchased by the direction of the County Administrator on 4/26/07.

TOTAL COST: \$32,535

BUDGETED: Yes No X

COST TO COUNTY: \$32,535

SOURCE OF FUNDS: Ad valorem

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty ^{CLH} ✓ OMB/Purchasing Risk Management

DOCUMENTATION: Included X Not Required

DISPOSITION:

AGENDA ITEM #

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY			
Contract with:	<u>Florida League of Cities</u>	Contract #	
		Effective Date:	<u>4/26/07</u>
		Expiration Date:	<u>4/26/08</u>
Contract Purpose/Description: <u>Professional Liability Insurance</u>			
Contract Manager:	<u>Maria Slavik</u>	<u>3178</u>	<u>Employee Services #1</u>
	(Name)	(Ext.)	(Department/Stop #)
for BOCC meeting on	<u>5-16-07</u>	Agenda Deadline:	<u>5-1-2006</u>

CONTRACT COSTS	
Total Dollar Value of Contract: \$	<u>\$32,535</u> Current Year Portion: \$ _____
Budgeted? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Account Codes: <u>503-08502-530-450-</u>
Grant: \$ _____	_____
County Match: \$ _____	_____

ADDITIONAL COSTS	
Estimated Ongoing Costs: \$ _____/yr	For: _____
(Not included in dollar value above)	(eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW				
	Date In	Changes Needed	Reviewer	Date Out
Division Director	<u>5/1/07</u>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<u>Cynthia Diaz</u>	<u>5/1/07</u>
Risk Management	<u>4-27-07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>M. Slavik</u>	<u>4-27-07</u>
O.M.B./Purchasing	<u>4/30/07</u>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<u>T. P.</u>	<u>5/1/07</u>
County Attorney	<u>5/1/07</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Cynthia L. Hall</u>	<u>5/1/07</u>
Note: Clarify budgeted v. non-budgeted Comments: <u>(Contract Summary) (AIS)</u>				

INTERISK CORPORATION

Consultants

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Risk Management

Tampa, FL 33607-4711

Employee Benefits

Phone (813) 287-1040

Facsimile (813) 287-1041

April 21, 2007

Ms. Maria Slavik
Risk Management Specialist
Monroe County
1100 Simonton St.
Suite 268
Key West, Florida 33040

Subject: Professional Liability Insurance for Air Ambulance Nurses

Dear Maria:

In the later part of March, 2007 Ms. Cynthia Hall of the County Attorney's office contacted Risk Management and advised that she was in the process of developing a contract with various local hospitals to provide helicopter ambulance services from one facility to another. The intent was to use the helicopter owned by the County Sheriff's Office for these services. It was (and continues to be) understood that the Sheriff's Office currently provides helicopter ambulance services for trauma victims from the scene of an accident to local health care facilities. The inter-facility service would allow the Sheriff's Office to better utilize its helicopter.

Ms. Hall indicated that the local hospitals were requiring a licensed nurse to accompany patients during the inter-facility transfers. Ms. Hall was advised that while the County's current policy issued by the Florida League of Cities provides limited Professional Liability insurance; the protection only extends to the County's Medical Attendants and Medical Director pursuant to Section 401.265 of the Florida Statutes and specifically excludes any coverage for professional services rendered by physicians and/or nurses. In an effort to obtain Professional Liability insurance that would extend to nurses, the Florida League was requested to obtain a proposal for coverage that would extend to nurses. The League initially indicated that such coverage was available and the premium would be approximately \$10,000.

For the past several weeks you and I have been monitoring the League's efforts and when it became evident that the League was having difficulty obtaining the desired insurance, Marsh USA was contacted and requested to locate an insurer that would provide the necessary insurance and submit to Risk Management a proposal for evaluation.

The League has now submitted a proposal from the Admiral Insurance Company for Professional Liability Insurance that would extend coverage to the nurses participating in the County's Air Ambulance Services. Admiral is a well recognized insurance company and enjoys a favorable rating from the A.M. Best Company, the leading evaluator of insurance company operations. The proposed policy would provide limits of \$1 million per claim, subject to an annual aggregate of \$3 million. The County would have to absorb the first \$5,000 of each claim as a deductible. The proposed premium of this policy was \$32,535. It should be noted that the League received declinations from Scottsdale, Western World and Burlington

Insurance Companies and a tentative proposal from Evanston Insurance Company for a minimum premium of \$50,000.

The only company Marsh has located that expressed an interest in providing the necessary coverage is from RSUI Insurance company and they have indicated that a minimum premium of \$30,000 would apply. Another application would have to be completed to receive a formal proposal from RSUI. Based on the way Marsh indicated that RSUI may be interested in providing Professional Liability insurance for the County, it is believed that the ultimate premium would be significantly higher than the \$30,000 indicated minimum premium. It is also believed that RSUI may only offer limits of \$1 million per claim and \$1 million annual aggregate. These limits are less than those being offered by Admiral.

Needless to say the number of insurance companies with the ability and desire to offer Professional Liability Insurance that would extend coverage to nurses participating in air ambulance activities is significantly limited. It is believed that the policy offered by the Admiral Insurance Company through the Florida League of Cities represents the most comprehensive protection available and is competitively priced.

As always, please do not hesitate to call if you have any questions.

Cordially,

INTERISK CORPORATION



Sidney G. Webber
CPCU, ARM

CC: Teresa Aguiar