



Staff Report

TO: City Council
FROM: Kari Mendoza, Administrative Services Director
DATE: September 1, 2020
SUBJECT: **Resolution Establishing A Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company**

Background and Analysis:

Effective July 1, 2020, after a request for proposal process for third-party claims administrator was completed by the City's insurer, Exclusive Risk Management Authority of California (ERMAC), George Hills Company was selected for third-party liability claims handling. Prior to July 1, 2020, ERMAC had a contract with Carl Warren.

Third-party administrators typically handle certain administrative responsibilities for tort claims including the acceptance, rejection or returning as insufficient or untimely. The third-party monitor files, provides recommendations, handles responses and all costs populating the agency's loss run for liability and auditing purposes. A draft of the claims handling standards and instructions are attached.

Fiscal Impact:

The City of Beaumont's portion of cost for third-party claims administration is \$18,000 based on volume of claims. These costs were adopted in FY 20/21 budget, and were reflected in the annual ERMAC insurance renewal premium.

Recommended Action:

Waive the full reading and adopt by title only, "A Resolution of the City Council of the City of Beaumont, California, Establishing a Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company, As Authorized by Government Code Sections 910 Et Seq."

Attachments:

- A. Resolution
- B. Special Claims Handling Standards and Instructions