



Agenda Item Details

Meeting	Dec 09, 2020 - CRA & City Commission Meeting & Summary
Category	15. POLICY FORMATION AND DIRECTION
Subject	15.05 Approval of Amendments to City Commission Policy 200- Claims Settlement Policy --- James O. Cooke, IV., City Treasurer-Clerk
Access	Public
Type	Action
Preferred Date	Dec 09, 2020
Absolute Date	Jan 27, 2021
Fiscal Impact	No
Budgeted	No
Budget Source	NA
Recommended Action	Approve Option 1

Public Content

For more information, please contact: Gail Shuffler, Risk Management Administrator, 891-2117

Statement of Issue City Commission Policy 200, Claims Settlement Policy, adopted in October 1986, specifies the amounts and manner in which third party liability claims brought against the City are covered and administered under the self-insured automobile and general liability program established by City Commission Policy 214. The policy was last reviewed in 2016. The current review recommends changes in settlement authority levels to reflect the changes in limitations of liability found in Florida statutes, specifically 768.28.

Recommended Action Option 1: Approve the review of the commission policy

Fiscal Impact None

Supplemental Material/Issue Analysis

History/Facts & Issues

City Commission Policy 200 was adopted in 1986 to establish procedures for administering third-party claims brought against the City covered under the self-insured automobile and general liability program established by City Commission Policy 214. In 2011, the Florida legislature increased the limitations of liability specified in Florida law (F.S.768.28), from \$100,000 per person and \$200,000 per accident to \$200,000 per person, \$300,000 per accident. The City's self insurance program relies on these limits of liability. The City's self-insurance program has factored these statutory amounts into our claim reserve practices. Claims within Federal law jurisdiction do not have such limitations, but the City Risk Management Division also reserves Federal claims based on those factors.

The City Commission approved an updated settlement authority and also established a five-year review requirement for this policy in 2016. In this first sunset review, an adjustment in settlement authority levels in the Workers' Compensation area is being recommended. The Risk Manager's authority is increased to \$50,000 from \$25,000. The reasoning for this increase reflects case law changes that entitle the employee's attorney to higher fees for benefits obtained and increased expenses for

future medical expenses. In addition, this level will be consistent with the Risk Manager's settlement authority for other self-insured and self-administered claims within the program.

Department(s) Review

Options

1. Approve the review and update of the policy.

Pros:

- Provides continued authority to settle claims against the City;
- Provides consistent levels of authority across the self-insured program
- Permits expeditious claims settlement

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Cons: none

2. Approve the review without approval of the increase in settlement authority.

Pros:

- Provides continued settlement authority to settle claims against City

Cons:

- Maintains current reduced settlement authority for Workers' Compensation claims
- Potentially increases settlement times for Workers' Compensation claims when liability oversight committee is necessary.

Attachments/References

Updated Commission Policy 200

Commission Policy- Claims Settlement 200 Clean Final.pdf (30 KB)