



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 20-609

Board Meeting Date: 8/4/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Scott Johnson, Deputy Director, Human Resources

Subject: Agreement with Keith A. Hillegass Company for Auto Liability and Medical Malpractice Liability Claims Administration

RECOMMENDATION:

Adopt a resolution authorizing an agreement, with Keith A. Hillegass Company to provide Third Party Administrative services for the County's Auto Liability and Medical Malpractice Claims for the term of July 1, 2020 through June 30, 2023 in an amount not to exceed \$600,000.

BACKGROUND:

Keith A. Hillegass Company has served as the County's Third-Party Administrator since 1978 and has effectively administered the General, Medical Malpractice and Auto Liability claims. Because of their long-standing relationship with the County, they are very familiar with County history, protocols and personnel. Keith A. Hillegass Company also provides subrogation services to the County. Their familiarity with the County allows them to provide a more global approach to claims investigation and handling.

DISCUSSION:

Keith A. Hillegass Company, Inc., in their role as the County's Third-Party Administrator will continue to investigate accidents or incidents that may have resulted in a claim or lawsuit being filed against the County.

The Risk Management Division of the Human Resources Department respectfully requests your Board execute the agreement and waive the Request for Proposal process. A thorough RFP process was conducted for the prior contract term with Keith A. Hillegass Company and will be conducted prior to the expiration of this agreement term.

Keith A. Hillegass Company rates remain competitive and provide the best value to the County. Given the lines of business they work on for the County, it is important to have an experienced third-party administrator who understands the County's systems, departments, asset disposal and claims

management system. They have provided outstanding service to the County with high marks from all who have come into contact with them. Keith A. Hillegass Company continues to protect the County's assets by fairly adjudicating auto claims with the public and their insurance companies.

The accompanying resolution contains the County's standard provision allowing amendments of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

County Counsel has reviewed and approved the resolution and agreement as to form.

PERFORMANCE MEASURES:

Measure	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected
Number of Auto Liability Claims	172	192	182
Number of Medical Liability Claims	3	3	3
Cost of Auto Liability Claims	\$456,578.46	\$488,459.54	\$472,500.00
Cost of Medical Liability Claims	\$23,317.12	\$5,029.67	\$15,000.00

FISCAL IMPACT:

There is no impact to Net County Cost. All costs associated with this contract are fully covered by the General Liability Trust Fund. The annual contract fee will remain constant each year for the duration of the three-year contract period with San Mateo County, and for each contract year of the two-year extension option.