

FILED

IN THE COUNTY COURT OF WASHINGTON COUNTY, ARKANSAS

2017 OCT 11 AM 11:08

IN THE MATTER OF THE AWARDED  
OF THE RFP 2017-07 PROPERTY  
INSURANCE FOR WASHINGTON COUNTY

BECKY LEWALLEN  
CO. & PROBATE CLERK  
WASHINGTON CO. AR

ORDER 2017-223

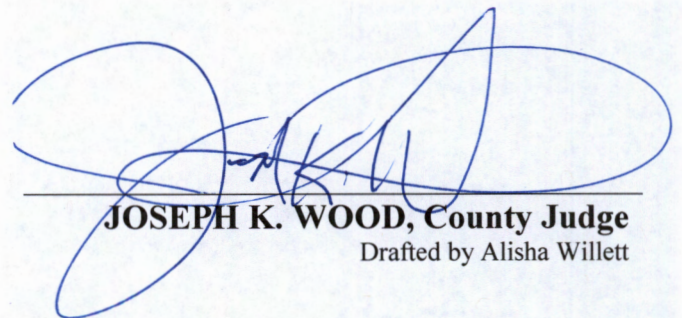
**ORDER**

Now on this 11 day of October, 2017 comes on for hearing the matter of the awarding of the bid for Insurance on Workers Compensation, Automobiles, Buildings and Contents for Washington County, by Washington County, Arkansas, and from various bids submitted, and other things, matters and proof before the Court, the Court finds:

1. That the procedure for soliciting bids was properly followed as outlined in Statute ACA 14-22-101 et seq.
2. That the lowest and most responsible proposal for Building, Contents, EDP, Errors & Omissions, Fidelity/Fiduciary Bonds & Insurance, and Excess Property coverage was submitted by Brown & Brown Insurance and upon recommendation by Nelson Driver of Arkansas Risk & Insurance Services, Inc. should be approved.
3. That the lowest and most responsible proposal for Vehicles, Heavy Equipment, Liability Protection, and Workers Compensation Insurance was submitted by AAC Risk Management and upon recommendation by Nelson Driver of Arkansas Risk & Insurance Services, Inc. should be approved.
4. That bidder agrees to meet all specifications as outline in RFP 2017-07

IT IS THEREFORE BY THE COURT CONSIDERED, ORDERED AND AJUDGED That the awarding of the Workers Compensation, Automobiles, Buildings and Contents insurance for Washington County, by Washington County, Arkansas from the above listed agents should be approved and confirmed in all respects.

IT IS SO ORDERED.



**JOSEPH K. WOOD, County Judge**  
Drafted by Alisha Willett

**ARKANSAS RISK MANAGEMENT**  
**Enterprise Risk Management Consulting**  
21734 Christman Road  
Fayetteville, Arkansas 72703

The Honorable Joseph Wood  
Washington County Judge  
280 N. College Avenue  
Fayetteville, AR 72701

Judge Wood,

After reviewing the submitted RFPs for the 2018 insurance policy year, I make the following recommendations:

**Workers' Compensation**

I recommend that Washington County's Workers Compensation be placed with the Association of Arkansas Counties at the estimated premium of **\$480,705**. \*  
(\*premium is based on submitted expected payroll for the 2018 calendar year)

Washington County is a part-owner in the AAC Workers Compensation Trust, and has been since 1985. Washington County participates in a retrospectively rated workers' compensation program, which allows the County to receive a dividend payment from the Trust in years that the Trust has favorable claims years. This is based on the County's longevity in the Trust as well as the County's loss experience. For example, the County received a dividend payment in 2017 in the amount of **\$57,057** for the 2013 fund year. The Association of Arkansas Counties was the only bid that we received on this RFP for Workers Compensation.

**Commercial Automobile & Heavy Equipment Coverage**

I recommend that Washington County's Commercial Automobile and Heavy Equipment coverages be placed with the Association of Arkansas Counties at the annual fund contribution of **\$238,971**. This includes coverages for the vehicles, State minimum liability as well as physical damage to our vehicles according to the schedule that was submitted to AAC.

The cost breakdown for each County department is attached to AAC's RFP response and is based on the information that the County provided in the RFP.

### **General Liability Protection**

I recommend that Washington County's General Liability protection be placed with the Association of Arkansas Counties Risk Management Fund at the annual fund contribution of **\$192,912** for the 2018 fund year.

I note that the AAC Risk Management Fund is not insurance! The County's limited tort immunity is waived if "insurance" is purchased.

**The total premium amount to be paid to AAC for 2018 is \$912,588.**

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### **Commercial Property – Buildings & Contents**

After a careful review of the RFP responses submitted for the 2018 policy year, I make the following recommendations:

I recommend that Washington County's Commercial Property, which includes coverage for Buildings, Contents, Boiler & Machinery, Commercial Crime (Fiduciary Liability) and Notary Errors & Omissions Bond, be placed with Brown & Brown Insurance at the estimated annual premium of **\$161,926. \***

I note that the Commercial Property Insurance also includes coverage for Electronic Data Processing, Electronic Voting System, Inland Marine (coverage for equipment and transmission towers, firearms, generators, boats and ATVs, Segway), Flood, Earthquake, Earth Movement and Terrorism Risks.

**Premium Due January 1, 2018 - \$159,611**

(\*Commercial Crime is paid until 6-19-18)

**Premium Due June 19, 2018 - \$2,315**

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**The total cost of insurance and participation in the Risk Management Fund for 2018 is an estimated \$1,074,484**

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

Respectfully Submitted

Nelson G. Driver