



# City of West Allis

7525 W. Greenfield Ave.  
West Allis, WI 53214

## Resolution

**File Number: R-2012-0191**

**Final Action:**

**Sponsor(s):** Administration & Finance Committee

**OCT 02 2012**

Resolution relative to continuing the contract with Cities & Villages Mutual Insurance Company (CVMIC) for furnishing Worker's Compensation Third Party Administrative Services at a cost not to exceed \$23,500.00 for the years 2012, 2013, and 2014.

WHEREAS, the City of West Allis has contracted with the Cities & Villages Mutual Insurance Company (CVMIC) for furnishing Worker's Compensation Third Party Administrative Services for four previous time periods (2001-02, Resolution No. 26548; 2003-05, Resolution No. 27233; 2006-08, Resolution No. R-2006-0038, and 2009-11, Resolution No. R-2008-0253); and,

WHEREAS, the Purchasing/Central Services Division has reported that it has received a request from the Department of Administration & Finance of the City of West Allis for contracting for administrative services related to worker's compensation claims; and,

WHEREAS, the Department of Administration & Finance has determined that this contract is inappropriate for competitive selection due to the long term mutually beneficial partnership with CVMIC in providing insurance claims adjusting services; and,


WHEREAS, the Common Council deems it to be in the best interests of the City of West Allis that the proposal of CVMIC be accepted.

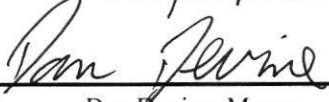
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the City of West Allis that the amendment dated August 29, 2012 submitted by Cities & Villages Mutual Insurance Company for furnishing third party administrative services for processing worker's compensation medical claims for a cost not to exceed \$23,500.00 for the years 2012, 2013, and 2014 be and is hereby approved.

BE IT FURTHER RESOLVED that the property City Officials are hereby authorized and directed to sign any and all documents to execute this contract.

BE IT FURTHER RESOLVED that the Purchasing/Central Services Division be and is hereby authorized to issue a purchase order for the aforesaid services.

ADM\ORDRES\ADMR437

**ADOPTED**           **OCT 02 2012**            
  
\_\_\_\_\_  
Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

**APPROVED**           10/5/12            
  
\_\_\_\_\_  
Dan Devine, Mayor

August 29, 2012

City of West Allis  
Attn: Paul Ziehler  
7525 W. Greenfield Avenue  
West Allis, WI 53214

RE: Third Party Administrative Services Agreement Amendment

Dear Paul:

We have done a review of the Workers' Compensation Self Insured Program and are amending Item II of the agreement to document and update the minimum and maximum charges for the services provided by Cities and Villages Mutual Insurance Company (CVMIC). This letter will serve as an amendment to the Third Party Administrative Service Agreement between CVMIC and City of West Allis effective 1/1/2006 and amends the May 13, 2010 letter stating financial changes to the original agreement.

Item II, titled "Financial Terms" shall be amended as follows:

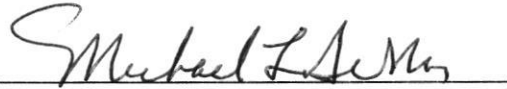
#### II. FINANCIAL TERMS

CVMIC will charge as follows: \$550 per indemnity claim and \$92 per medical-only claim, regardless of the length of time it takes for the claim to be completed. Incident reports will be charged at \$23 per file. CVMIC guarantees these rates for 2013, 2014 and 2015. Moreover, we guarantee that the rate will not increase by more than 7.5% per year thereafter unless amended in writing. A minimum charge of \$11,800 and a maximum charge of \$23,500 will protect the City from costs higher than expected in any given year.

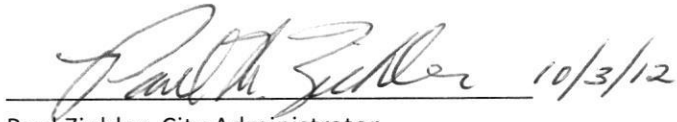
This agreement is on a "per claimant" basis. Any accident or occurrence resulting in ten or more injured employees shall be capped at that level. Indemnity claims are defined as all "other than" medical-only claims and incident reports. This Agreement excludes allocated expenses which are outlined in Section V, Conditions of the Agreement.

This amendment has not increased the minimum or maximum charges that were in place for 2009, 2010, 2011 and 2012. This change will be effective January 1, 2013 and will be reflected in future invoices. The actual claims processed per rate defined above will be reviewed annually and any services provided above the minimum will be invoiced separately upon completion of the previous year's compilation of claims which is typically after June 30<sup>th</sup>.

Signatures of both parties to the agreement shows understanding of the terms listed above and will complete the records of each party.



Michael L. DeMoss, Executive Director  
CITIES AND VILLAGES MUTUAL INSURANCE COMPANY



Paul Ziehler, City Administrator  
CITY OF WEST ALLIS