

**ORANGE COUNTY  
BOARD OF EDUCATION**

**AGENDA ITEM ABSTRACT**

**Meeting Date:** August 1, 2011

**AGENDA ITEM No.** 11-08-08

**ACTION ITEM: (Y/N)** Y

**SUBJECT:** Worker's Compensation Approval 2011-12

**INFO. CONTACT:** Donna Brinkley **PHONE:** 732-8126

**ATTACHMENTS:**

- 1) The CompOne Program - Detailed Program Description
- 2) Estimated Premium for 2011-2012

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**PURPOSE:** To approve The Moore and Johnson Agency in partnership with The Hartford to provide Orange County Schools with workers' compensation insurance coverage for locally and federally paid OCS employees for 2011-2012.

**BACKGROUND:** The Moore and Johnson Agency has been Orange County Schools' agent since 2005. Each year they provide loss control advice, risk management support, training on system administration and cost containment strategies. Again this year they have provided a program in partnership with The Hartford. Orange County Schools has committed to implement a Return to Work Program in 2011-12 which has reduced the total premium by \$10,511.

**FINANCIAL IMPACT:** The cost of providing workers' compensation insurance is \$187,675.

**RECOMMENDATION:** The Superintendent recommends the Board of Education approve The Moore and Johnson Agency in partnership with The Hartford to provide Orange County Schools with workers' compensation insurance coverage for locally and federally paid employees for 2011-2012.



I N S U R A N C E

## The CompOne Program Detailed Program Description

### History:

The Moore & Johnson Agency recognizes that the manner in which workers' compensation insurance coverage for federally and locally funded public school employees is provided to and administered for school systems in North Carolina is complex. The North Carolina Workers' Compensation Act and the obligation of the State of North Carolina to administer all public school employee "split-funded" workers' compensation claims, as well as all 100% State funded public school employee workers' compensation claims created the multi-layered situation school systems now find themselves in.

### Solution:

Moore & Johnson can offer North Carolina school systems a streamlined program for their workers' compensation insurance coverage needs for locally and federally paid public school employees under The CompOne Program. Moore & Johnson's CompOne Program will provide school systems with cost effective coverage and an easier filing process. The CompOne Program creates a solution to the current claims administration issues. It also simplifies the complex nature of dealing with the State's third party administrator for State and split-funded claims and with their local workers' compensation carrier for 100% local and federal claims.

### The CompOne Team:

#### Underwriting Partnership/The Hartford:

In order to implement The CompOne Program, Moore & Johnson has entered into an agreement with The Hartford Financial Services Group, Inc. The Hartford has agreed to write local workers compensation insurance coverage to North Carolina school systems that participate in The CompOne Program, and Moore & Johnson will be the authorized agent.

#### Third Party Administrator Partnership/CorVel:

Moore & Johnson and The Hartford have entered into a separate agreement with CorVel, the current third party administrator for the North Carolina Department of Public Instruction on all 100% State and all split-funded public school employee workers' compensation claims. CorVel will act as the third party administrator regarding the administration of all claims filed under The CompOne Program. Moore & Johnson recognizes that this claims administration feature of The CompOne Program will give school systems the option of having one entity administer all public school employee workers' compensation claims regardless of the funding source of an injured employee's salary. This will provide greater efficiencies and better service to school systems than currently exists.

### How It Works:

#### Strategic Planning Phase:

NC Public School systems in search of a more efficient solution will be contacted by Moore & Johnson Agency. An initial meeting will be conducted and next steps will be established to

determine when the strategic planning sessions will begin. Once a school system enters The CompOne Program, they will be guided through the program development process. This is not a sales-based process but rather a detailed vetting of claims history and coverage needs. Once the strategic planning is completed and a program developed to suit the needs of a particular school system, then The CompOne Program will begin. Local agents from The Hartford may be involved in this process; however the program is administered through the Moore & Johnson Agency only.

#### Launch Phase:

The CompOne Program already uses processes that most NC Public Schools financial officers are familiar with through their interactions with our partner, CorVel. Should someone be unfamiliar with this program, the appropriate training or retraining will take place to ensure a successful launch of the program. The CompOne Program also includes preventative action planning and Active Safety Program (ASP) support. Moore & Johnson and our partners will make every effort to ensure that your team is kept safe and claims are kept as low as possible.

#### Execution Phase:

Moore & Johnson along with partners The Hartford and CorVel all retain excellent customer support teams. Should issues arise during a transition or client support be required years into the program, rest assured that there is a staff capable of assisting the most simple or most complicated request. The CompOne Program was developed to streamline your Workers' Compensation experience and post-launch support is included in the plan.

#### Filing a Claim:

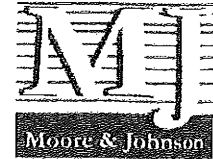
Current or past claims will still need to go to the prior carrier to settle the claim, but all future claims will be handled by CorVel. When a claim happens it is filed online and reported directly to CorVel, where the employees funding arrangement is also indicated. CorVel then manages the claim from start to finish. The CompOne Program utilizes CorVel's CareMC, eliminating the confusion about which network is best.

#### What's the Catch?

Honestly, there is no catch. The CompOne Program was designed to improve the present system. Others may say they offer a program similar to The CompOne Program but it is unique. No other program offers this level of streamlined processing or such aggressive cost control measures. No other program offers a safety program as detailed to support existing safety training. The CompOne Program is unique in drawing together the legacy of The Hartford, the ease of CorVel and their CareMC program and the dedication of the long-standing, Raleigh-based team at the Moore & Johnson Agency.

#### Summary:

Moore & Johnson views The CompOne Program as a way to offer a needed solution to North Carolina school systems in the area of local workers' compensation insurance coverage and to compliment the risk management services and coverages already being offered by others.



**Orange County Public Schools  
Renewal Premium for 2011**

<u>Class</u>				<u>Hartford</u>	<u>Renewal</u>	<u>Hartford</u>	
<u>Code</u>	<u>Description</u>	<u>Expiring Payroll</u>	<u>Rate</u>	<u>Expiring Premium</u>	<u>Payroll</u>	<u>Rate</u>	<u>Renewal Premium</u>
7380	Drivers	\$13,877	\$4.70	\$ 652	\$161,380	\$5.57	\$8,989
8868	Schools: Professional	\$15,837,408	\$0.44	\$ 69,685	\$12,501,381	\$0.54	\$67,507
9101	Schools: All Others	\$3,180,134	\$3.27	\$ 103,990	\$3,134,226	\$4.04	\$126,623
	Manual Premium			\$ 174,327			\$203,119.05
	Increased limits	1000/1000/1000	0.028	\$ 4,881			\$5,687.33
	Subject Premium			\$ 179,208			\$208,806.39
	NC Experience Mod		1.03	\$ 184,585		1.07	\$223,422.83
	Scheduled Credit		0.03	(\$5,538)		0.14	(\$31,279.20)
	Premium Discount		0.041	(\$7,341)		0.041	(\$7,877.89)
	Standard Premium			\$ 171,706			\$184,265.75
	Expense Constant			\$ 250			\$250
	Foreign Terrorism	\$19,031,419	0.010	\$ 1,903		0.0083	\$1,579.61
	Domestic Terrorism	\$19,031,419	0.010	\$ 1,903		0.0083	\$1,579.61
	<b>Premium</b>			<b>\$ 175,762</b>			<b>\$187,675</b>