



Agenda Date: 12/20/2005
Agenda Placement: 6N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Karen J. Schoenfeld, Risk Manager, 253-4821
SUBJECT: Settlement Authority for General Liability and Workers' Compensation

RECOMMENDATION

County Executive Officer requests adoption of a resolution increasing the delegated settlement authority level for general liability and workers' compensation claims from \$25,000 to \$50,000.

EXECUTIVE SUMMARY

The Board of Supervisors has previously delegated settlement authority to the County Executive Officer, or his/her designee, in the amount of \$25,000 for the self-insured general liability and workers' compensation programs. The requested increase to \$50,000 is based on the increasing costs of claims in general over the years and the need to expeditiously negotiate claims to achieve the most advantageous settlement on behalf of the County.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In 1978 the County established self-insurance programs for both general liability and workers' compensation

claims. Since the establishment of these programs, the Board of Supervisors has delegated settlement authority to the County Executive Officer, or his/her designee. This settlement authority has increased over the years from an initial \$5,000 to its current level of \$25,000 (established in 1995) for each program. Section 935.4 of the Government Code provides that an employee, if designated by resolution or ordinance, is allowed to compromise or settle general liability claims involving the County if the amount to be paid pursuant to such allowance, compromise or settlement does not exceed \$50,000.00. The Labor Code does not appear to limit workers' compensation settlement authority. However, it would be our request to continue to maintain the same level of authority for both programs.

This delegated authority has allowed for the expeditious handling of claims and/or lawsuits in these programs. Along with normal inflation, the value of claims has increased over the past ten years, particularly in the workers' compensation program, making it sometimes difficult to effectively negotiate and close cases in a timely manner with a settlement limit of \$25,000. To delay settlements to coincide with a Board of Supervisors' meeting calendar could jeopardize the County's ability to negotiate the most advantageous settlement on behalf of the County.

In all cases, settlements are based on a recommendation by a third party administrator, review by county staff, and often times review/recommendation from County Counsel's office and/or outside legal counsel.

Therefore, it is requested that the Board of Supervisors adopt the proposed resolution increasing the delegated settlement authority from \$25,000 to \$50,000 in both the general liability and workers' compensation programs.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Policy Issue

Reviewed By: Maiko Klieman