



## INTEROFFICE MEMORANDUM

DATE: August 16, 2017

TO: Mayor Teresa Jacobs  
-AND-  
Board of County Commissioners

FROM: John L. Petrelli, Director of Risk Management and Professional Standards *JPetrelli*

SUBJECT: Letter of Credit Commission and Fees Payment Approval

### AGENDA ITEM

During the loss years of October 1, 1997 through September 30, 2003 the County purchased workers' compensation coverage via large-deductible commercial insurance policies. These policies were underwritten by two carriers, Reliance Insurance Company and United States Fidelity & Guarantee Company (Travelers). Since these policies provided coverage from dollar one of any claim, the carriers required the County to post letters of credit for the self-insured portion of the deductible. The letter of credit amounts were based on the total outstanding claims and have been reduced as the outstanding liabilities have been reduced. The letter of credit for the benefit of Reliance Insurance Company was released last year. The remaining letter of credit with United States Fidelity & Guarantee Company (Travelers) was reduced by \$565,000. This letter of credit renews annually and is subject to periodic commissions and renewal fees. The current face amount is as follows:

United States Fidelity & Guarantee Co. (Travelers) ..... \$2,930,000

#### **Action Requested:**

Authorization to pay SunTrust Bank for Letter of Credit Commissions and Fees in the approximate amount of \$31,000.

JLP/smm

c. Eric Gassman, Chief Accountability Officer