



Legislation Text

File #: 18-347, **Version:** 1

Adopt City Council Resolution Delegating Claims Administration and Authorizing Redwood Empire Municipal Insurance Fund (REMIF) and Third-Party Administrator to Accept or Reject Claims Filed Against the City

Since 1976, the Redwood Empire Municipal Insurance Fund (REMIF), a joint powers authority, has been managing its members' pooled coverage programs, primarily worker's compensation and liability programs. The City of Fort Bragg joined REMIF in 1979 and there are now fifteen cities that make up its membership. At the January 26, 2018 REMIF Board of Directors meeting, the Board directed the General Manager to enter into a three-year agreement with George Hills Co., a third party administrator, to administer the covered liability claims for member cities. As part of this change, the REMIF General Manager is requesting member cities to adopt a resolution granting REMIF and the third party administrator authority to accept or reject a claim.

Government Code 912.6 empowers the City Council to act on a claim filed against the City by rejecting the claim or by paying the claim in total or in part. Section 3.04.030 of the Fort Bragg Municipal Code provides for the same action, except it delegates to the City Manager the authority to take action for claims under \$50,000. The Government Code also allows the City Council to delegate to a third party administrator the ability to respond to covered liability claims. The REMIF Memorandum of Coverage for the Liability Program (MOC) is a negotiated agreement amongst the members. The MOC gives REMIF the right to control the negotiation, investigation, defense, appeal or settlement of liability claims for its members. So, the City Manager and City Clerk work closely and collaboratively with REMIF staff in the handling of claims. When warranted, REMIF recommends rejection and claims are placed on the City Council agenda for rejection. The addition of George Hills Co. does not significantly alter the process normally observed by Fort Bragg. Instead of recommending that a claim be denied by the City Council, REMIF through George Hills Co. would be authorized to deny or accept the claim while working closely with the City.

This request is designed to create consistency in claims handling across all the REMIF members and to expedite the claims process. The change has the added benefit of taking the paperwork burden off of the cities, along with the responsibility of meeting strict deadlines for rejection. Adoption of the proposed resolution does not change the City Council's authority. If the City disagreed with REMIF about the disposition of a claim, the City Council retains the authority to pay a claim or litigate a claim. In this case, REMIF would turn the claim over to the City to be paid or litigated at the City's expense.