

SNOHOMISH HEALTH DISTRICT
RESOLUTION OF THE BOARD OF HEALTH

14 - 75

RESOLUTION NUMBER; 14 - 75

RESOLUTION SUBJECT: A RESOLUTION AUTHORIZING CHANGES IN THE "OTHER SERVICES & CHARGES" ACCOUNT IN THE 1975 BUDGET TO PERMIT FOR PAYMENT OF INCREASED INSURANCE PREMIUMS

WHEREAS Snohomish Health District has been advised by Chubb/Pacific Indemnity Insurance that it will not provide insurance for Snohomish Health District after April 1, 1975; and

WHEREAS the District has been able to obtain general liability and malpractice insurance for 1975 from only one company, namely AETna Life & Casualty; and

WHEREAS the premiums required by AETna exceed the amounts budgeted in the 1975 budget,

NOW THEREFORE the BOARD OF HEALTH of Snohomish Health District does authorize the following changes in the 1975 budget without increasing the total of the budget:

30 OTHER SERVICES AND CHARGES

Accounts to be decreased:

31 Tuberculosis Hospitalization	\$40,150 to \$12,000
31 Tuberculosis, Other inpatient	6,000 to 2,730


Total decrease: \$31,420

Accounts to be increased:

36 Insurance, General Program	\$7,200 to \$31,286
36 Insurance, Tuberculosis Program	1,800 to 9,134

Total increase: \$31,420

Adopted this 10th day of June 1975.



John Nordquist, Chairman
Board of Health

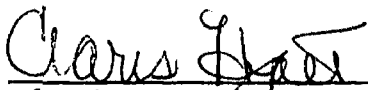
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INCREASED INSURANCE PREMIUMS

ATTEST:



Claris Hyatt, M.D.
Health Officer

June 10, 1975

SHD - Memo
1975 - 186
June 9, 1975

To: Board of Health Members
From: Claris Hyatt
Subject: Insurance Premiums
Snohomish Health District, 1975

The only proposal to present to the Board of Health for consideration of insurance for 1975 is that of AETna Life & Casualty Company.

BACKGROUND INFORMATION: Earlier this year Mr. Art Armstrong of Gilkey-Armstrong, the broker of record for SHD, advised that Chubb/Pacific Indemnity was cancelling the District's policy 4/1/75. A binder was obtained from AETna to replace Chubb and we were advised that the premium to AETna would be \$15,383 (12 month period commencing 4/1/75).

On 5/20/75 Mr. Armstrong received a letter from AETna that the premium would be \$56,506 instead of the \$15,383 previously quoted, the new figure resulting from review of the District's annual statistics. The District was initially given until 5/23/75 to confirm or reject this proposal and only after intercession with the general manager was the date extended to 6/10/75. Therefore the Board must decide today whether to accept or reject the AETna proposal. A meeting was held with Mr. William Prenger, Superintendent of the Commercial Casualty Division, and all figures reviewed and the estimate reduced from \$56,506 to \$50,775 (see following).

AETNA PROPOSAL

Professional Liability	500/500	\$29,760
Automobile Liability	500/500/500	5,801
Umbrella	1000	9,302
Premesis		747
Health Officer	malpractice/liability	732 (paid)
Detox Facility	liability to SHD	5,180
Total		\$51,522
Paid		747
Balance due		\$50,775

NOTE: This proposal is for the time period 4/1/75 to 4/1/76. AETna will accept a pro-rate for 1975 which would be 75% of the above outstanding amount or \$38,081.25 (exact figure may be slightly different as AETna calculates pro-rates on exact days involved but this estimate is within one-half of one percent). The pro-rated figure would cover to the end of 1975; the total figure would cover

to through 3/31/76.

Aetna has advised that the premium will be increased in 1976.

DETAIL OF LIABILITY PREMIUM

Clinics: 54,708	\$19,230
X-rays: 13,728 x-rays)	
Laboratory: 500 clinical tests) combined	7,890
Public Health Nursing Services	
Well Child Visits (4,937)	1,735
Referrals received (681)	150
Antepartum/postpartum visits (670)	236
Hearing/Vision screening	15
Health education	15
Environmental Health Division	
Licenses and permits (1,021))	
Inspections, surveys, etc. (28,750) combined	388
Public Health Veterinarian (2,181 services)	101
Total	\$29,760

LIABILITY PREMIUM: ALCOHOL DETOX FACILITY

Operated by Snohomish County
Administered by Agreement by SHD
Liability exists to the Board of Health and the
Health Officer in administration of the facility
and to Snohomish County and to employees of the
facility (Snohomish County employees)

The Detox Facility will pay \$500 to Snohomish
County for its share, as a County Department, of
Snohomish County's insurance premium
The premium charge by Aetna to SHD is based upon
20 beds in operation and 1,053 estimated admissions
Premium charge \$5,180

(Both insurance premiums are recoverable 100% from
state monies; Aetna refuses to reduce its premium
charge and refuses to insure SHD without this
premium)

Pro-rated cost for 1975 only will be \$3,885
(4/1/75 to 1/1/76).

PREMIUM COST FOR 1975

Paid to date

For 1/1/75 to 3/21/75

Comprehensive liability	1,467		\$2,339
Excess liability	140	(1754.25, general	
For 1/1/75 to 1/1/76		584.75, TBC)	
Health Officer	732		

Due for 3/21/75 to 4/1/75

Unknown; no billing received

AEtna, due, 4/1/75 to 1/1/76

Detox liability	3,885		
General budget (75%)	25,647		
Total General budget	29,532		29,532

TBC budget (25%)	8,549		8,549
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\$40,420

BUDGET REVISION

Budgeted, general budget	7,200
Required	31,286
Underbudgeted	24,086

Budgeted, TBC budget	1,800
Required	9,134
Underbudgeted	7,334

Recommended:

- 1) Pay AEtna premium through remainder of 1975 only
- 2) Adoption of Resolution #14-75 which will increase the insurance in the general budget to \$31,286 and in the TBC account to \$9,134, decrease in the Tuberculosis Hospital Account from \$40,150 to \$12,000 and a decrease in the other Inpatient TBC account from \$6,000 to \$2,730 (a total decrease in these accounts of \$31,420). Monies spent to date from the Tuberculosis Hospital Account total \$1,520.70; based upon experience to date an amount of \$12,000 in that account should be sufficient; however, if not, an additional supplemental budget to this account could be made at a later date.

Funding for the excess insurance would be \$3,885 from state alcohol monies and the remainder from tuberculosis hospital funds.

A supplemental budget will not be necessary at this time although could be in the future if the need for tuberculosis hospital monies should increase.

COMPARISONS

	1974 (12 months)	1975 (12 months)
Premesis	259	747
Comprehensive automobile liability	4,433	5,801
Professional liability plus excess, Health Officer	497	732
Professional liability, Dr. Cook	369	0
General and professional liability for health district	1,350	29,760
Excess	650	9,302
Liability from Detox Facility Administration	0	5,180
Totals	<u>\$7,558</u>	<u>\$51,522</u>