

Marshall & Sterling Company Background

Founded in 1864, Marshall and Sterling, Inc. is one of the nation's oldest insurance organizations. We are currently the 22nd largest privately held agency in the United States with annual premiums exceeding \$350 million. We currently have offices in 18 locations throughout New York State and 2 locations in the U.S. Virgin Islands.

The company's principal ownership rests with our employees through an Employee Stock Ownership Trust. We provide access to all lines of insurance coverages and products through contractual agreements with most all of the major insurance carriers and markets.

Marshall and Sterling Programs, Inc. is a wholly owned subsidiary corporation established in 1994 to handle specialty programs such as consulting services, risk management services, TPA services, loss control services, and alternative risk services. It is through this operating division that we propose these services to the Port Jervis City School District.

Past Successes with the Port Jervis City School District

Back in 2007 the district contracted with Marshall & Sterling to assist them in making the self-insured workers' compensation program more efficient and cost effective. This incorporated all aspects of the program including preparing a comprehensive RFP to review and select a Third Party Administrator (TPA), preparing an RFP for qualified companies to perform an actuarial study for the district, and to market the catastrophic excess workers' compensation insurance to ensure the district gets the best coverage for the lowest premium.

We are pleased to announce that our efforts have translated into both significant savings and a much more efficient self-insured workers' compensation program.

These successes have included:

- Combined premium and commission savings of over \$110,000 for the excess workers' compensation insurance compared to the policy that was in place prior to Marshall & Sterling taking over.
- Direct reimbursements from the Workers' Compensation Board to the district for Second Injury Fund claim reimbursements of over \$329,000.
- Reimbursements from the Excess Workers' Compensation policies for claims of over \$520,000.
- Reduced Open Claims Pending by 64%,
- Reduced Outstanding Reserves by over 15%.

Services Provided

As mentioned prior, Marshall & Sterling has provided the Port Jervis City Schools with a unique solution to meet the regulatory and fiduciary demands that come with self-insurance. This program combined an extensive actuarial review with our expertise in the area of workers' compensation to create a program of specific services designed to make the district's program more efficient and cost effective.

Marshall & Sterling program will continue to provide the following services:

- Coordinating the process for the selection of an actuarial firm and the delivery of the actuarial report.
- Work with the current Third Party Administrator (TPA) to ensure the program continues to operate in a cost effective manner.
- Managing the placement of the Excess Workers' Compensation insurance *at no commission* including marketing the policy to multiple carriers. In 2015 this saved the district \$6,300 compare to the policy being brokered at the standard commission.
- Work with the district's auditors to provide them with the information they require relating to the self-insured workers' compensation program for the yearend audit. Will also be available to answer questions regarding the program from the auditors.
- Conducting on-going reviews of all aspects of the district's self-insured worker' compensation program including claims analysis, actuarial reviews, interfacing with the selected TPA, cost projections and annual excess insurance placement.

Fee Proposal

Annual On-Going Workers' Compensation Consulting Services

Marshall & Sterling will continue to provide the services as described in our proposal for a fee of \$12,000.00 annually. The fee will be billed on a monthly basis starting in July 2016.

References

North Shore Central School District
Ms. Olivia Buatsi, Assistant Superintendent for Business
(516) 277-7815

Nugent and Haeussler, P.C.
Mr. Mark Levy
(845) 457-1100