

May 15, 2018

Nanci White
 City of Lee's Summit Missouri
 220 SE Green
 Lee's Summit, MO 64063

RE: 2018 WORKERS COMPENSATION EXCESS RENEWAL POLICY

Dear Nanci:

The City's two year policy with Midwest Employers Casualty for excess workers compensation insurance is set to expire July 1st, 2018. In preparation for the renewal we have approached the key insurance carriers and have found that Midwest Employer's remains the most competitive for the city of Lee's Summit.

The quote from Midwest Employer's reflects a modest increase of approximately 1.4% annual increase from two years ago, with the same limits and retention. On the second page of this letter are the results of the state of the Excess Workers Compensation market.

	Midwest Employers		
	Expiring	Renewal	Renewal
		1 Year Option	2 Year Option
Payroll	\$37,440,401	\$43,052,402	\$43,052,402
Manual Premium	\$1,285,308	\$1,220,328	\$1,220,328
Self-Insured Retention	\$500,000	\$500,000	\$500,000
Specific Limit	Statutory	Statutory	Statutory
E. L. Limit	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate Retention	\$2,964,177	\$1,633,409	\$3,050,820
Min. Aggregate Retention	\$2,904,894	\$1,600,741	\$2,989,804
Aggregate Limit	\$1,000,000	\$1,000,000	\$1,000,000
Policy Term	2 Year	1 Year	2 Year
Deposit Premium	\$68,635	\$80,054	\$80,054
Minimum Premium	\$123,544	\$72,048	\$144,096
Rate Per \$100/payroll	\$0.183	\$0.186	\$0.186
Percentage Change		1.43%	1.43%

The responses from the other insurance companies providing Excess Worker's Compensation protection were as follows:

- **Safety National Casualty** – Pricing indication was a premium in excess of \$90,000. Safety shared that losses in the law enforcement sector necessitate increased pricing.
- **Chubb (Formerly ACE)** – Minimum premium of \$150,000 subject to a minimum SIR of \$500,000. When Law Enforcement is included, the minimum SIR is \$1,000,000.
- **Arch Insurance** – Minimum premium of \$100,000 subject to a minimum SIR of \$750,000 for police and firefighters.

The quote provided by Midwest Employers provides two options. The first is a one year program and the second allows the City to lock in its rate for a two year policy. It is our recommendation that the City select option two.

Please review and call to discuss further.

Regards,



Edwin D. Reasoner, CPCU, ARM
Director, Risk Management Department
Thomas McGee Group
d: 816.843.4448 | c: 816.308.9420
ereasonerthomasmcgee.com