



**THOMAS McGEE
GROUP**

May 28, 2024

Alysia Townsend
City of Lee's Summit, Missouri
220 SE Green
Lee's Summit, MO 64063

RE: 2024 WORKERS COMPENSATION EXCESS RENEWAL POLICY

Dear Alysia:

In preparation for the Excess Workers Compensation 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. Currently, for renewals with Police and/or Fire class codes, we are seeing rate increases of 5-8%.

The City received approval from the Missouri Division of Workers Compensation to allow a higher Self-Insured Retention (SIR) in 2021. The SIR for Police and Fire class codes increased to \$750,000 that year. All other Classification Codes remained at the \$500,000 SIR. We will not be required to increase the SIR for the renewal term.

Below is a summary of the renewal terms offered by Midwest Employers:

| | Midwest Employers | |
|--------------------------|---|---|
| | Expiring | Renewal |
| | | Option 1 |
| Payroll | \$49,665,493 | \$55,973,761 |
| Manual Premium | \$1,342,504 | \$1,487,816 |
| Self-Insured Retention | \$500,000 All Others \$750,000 Police & Fire | \$500,000 All Others \$750,000 Police & Fire |
| Specific Limit | Statutory | Statutory |
| E. L. Limit | \$1,000,000 | \$1,000,000 |
| Aggregate Retention | \$2,772,539 | \$3,124,711 |
| Min. Aggregate Retention | \$2,717,088 | \$3,062,217 |
| Aggregate Limit | \$2,000,000 | \$2,000,000 |
| Policy Term | 1 Year | 1 Year |
| Deposit Premium | \$119,886 | \$138,516 |
| Minimum Premium | \$107,897 | \$124,664 |
| Rate Per \$100/payroll | \$0.241 | \$0.247 |
| Percentage Change | | 2.5% |

Exhibit "A"



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

- **Safety National** - Would not be competitive with the target premium provided. Safety further indicated its minimum Self-Insured Retention was \$750,000 for law enforcement and fire and \$600,000 for all other employees.
- **Chubb** - 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.

Midwest Employers would only provide one option for the next term. It is our recommendation the City accept Option #1 from Midwest Employers for the deposit premium of \$138,516

The company is not offering multi-year policies at this time.

Please review and call to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett Beichley".

Garrett Beichley
Account Executive
Risk Strategies • Thomas McGee Group
816.843.4454
gbeichley@thomasmcgee.com