

## Legislation Text

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**File #:** BILL NO. 16-123, **Version:** 1

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AN ORDINANCE APPROVING THE PROCUREMENT OF EXCESS WORKERS COMPENSATION COVERAGE FROM MIDWEST EMPLOYERS CASUALTY COMPANY FOR FISCAL YEAR 2017 AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS AND OTHER DOCUMENTS NECESSARY FOR SAID INSURANCE COVERAGE.

Issue/Request:

Recommending approval of quote from Midwest Employers Insurance Company for excess Workers Compensation coverage in the amount of \$68,635, effective July 1, 2016 through June 30, 2017 and standard, annual renewal cycle effective July 1 thereafter.

Key Issues:

The City purchases excess Workers Compensation coverage as required by Missouri State Division of Workers Compensation for self-insureds. For the past four years, the City has maintained this coverage with Midwest Employers Casualty Company (MECC).

The City has continued to maintain reduced frequency and severity of Workers Compensation claims through Safety and Loss Control training, Safety Fairs, and continuous improvement of the safety in all work areas. To capitalize on the substantial improvements in the City's loss experience, staff authorized Thomas McGee, LLC., the City's Third Party Administrator, to market the coverage. Two quotes were received.

Safety National, responded with a quote in excess of \$95,000 and was unwilling to guarantee that rate for multiple years. Midwest Employers responded with a quote of \$68,635 which is a 4.8% increase in premium from the current, expiring rate and has offered a 2-year guarantee at this rate.

Proposed City Council Motion:

First Motion: I MOVE FOR SECOND READING OF AN ORDINANCE APPROVING THE PROCUREMENT OF EXCESS WORKERS COMPENSATION COVERAGE FROM MIDWEST EMPLOYERS CASUALTY COMPANY FOR FISCAL YEAR 2017 AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS AND OTHER DOCUMENTS NECESSARY FOR SAID INSURANCE COVERAGE.

Second Motion: I MOVE FOR ADOPTION OF AN ORDINANCE APPROVING THE PROCUREMENT OF EXCESS WORKERS COMPENSATION COVERAGE FROM MIDWEST EMPLOYERS CASUALTY COMPANY FOR FISCAL YEAR 2017 AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS AND OTHER DOCUMENTS NECESSARY FOR SAID INSURANCE COVERAGE.

Timeline:

Start: 7/01/2016

Finish: 6/30/2017

Presenter: Nanci White, Human Resources Risk Management Officer

Recommendation: It is staff's recommendation that the City Council approve contracting with Midwest Employers Casualty Company for excess Workers Compensation insurance coverage in the amount of \$68,635, effective July 1, 2016 through June 30, 2017 and standard, annual renewal cycle effective July 1 thereafter.

Committee Recommendation: [Enter Committee Recommendation text Here]