

Legislation Text

File #: BILL NO. 18-90, **Version:** 1

An ordinance approving the procurement of Excess Workers Compensation Coverage from Midwest Employers Casualty Company for Fiscal Year 2019 and authorizing the City Manager to execute agreements and other documents necessary for said insurance coverage.

(First Reading by City Council on June 7, 2018. Passed by unanimous vote.)

Issue/Request:

An ordinance approving the procurement of Excess Workers Compensation Coverage from Midwest Employers Casualty Company for Fiscal Year 2019 and authorizing the City Manager to execute agreements and other documents necessary for said insurance coverage.

Key Issues:

The City purchases excess Worker's Compensation coverage as required by Missouri State Division of Worker's Compensation for self-insured entities. For the past six years, the City has maintained this coverage through Midwest Employers Casualty Company (MECC).

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

Chubb (Formerly ACE) quoted a minimum premium of \$150,000, excluding Law Enforcement, subject to a minimum SIR of \$500,000. When Law Enforcement is included, the minimum SIR is \$1,000,000.

Arch Insurance quoted a minimum premium of \$100,000 subject to a minimum SIR of \$750,000 for police and firefighters.

Safety National Casualty responded with a quote in excess of \$90,000, which did not include Law Enforcement coverage, with an indication that the premium would increase if Law Enforcement was included.

Midwest Employers Casualty Company, the incumbent provider, quoted a premium of \$80,054 which is a 1.43% increase in premium from the current, expiring rate. The offer includes a 2-year guarantee at this rate. This coverage includes Law Enforcement and does not require increase in the City's SIR of \$500,000.

Proposed City Council Motion:

I move for adoption of an ordinance approving the procurement of Excess Workers Compensation Coverage from Midwest Employers Casualty Company for Fiscal Year 2019 and authorizing the City Manager to execute agreements and other documents necessary for said insurance coverage.

Timeline:

Start: 7/1/2018

Finish: 6/30/2019

Jackie McCormick Heanue, Interim Director of Human Resources

Recommendation: Staff recommends approval of AN ORDINANCE APPROVING THE PROCUREMENT OF EXCESS WORKERS COMPENSATION COVERAGE FROM MIDWEST EMPLOYERS CASUALTY COMPANY FOR FISCAL YEAR 2019 AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS AND OTHER DOCUMENTS NECESSARY FOR SAID INSURANCE COVERAGE.