



TO: Administration, Finance, Recreation & Parks Committee

FROM: Dan Roach, Human Resources Director

Cc: Kay Love, City Administrator
Michael Fischer, Deputy City Administrator

RE: Annual Renewal Contract for Excess Workers' Compensation Insurance Coverage

DATE: May 30, 2014

Human Resources requests approval for the Mayor or City Administrator to sign an annual renewal contract for excess workers' compensation insurance coverage with Midwest Employers Casualty Company in the amount of \$98,944 for the period of July 1, 2014 to June 30, 2015. This represents an increase in the annual premium of \$5,172 (5.5%) over the current year.

Persistent inflation of medical care costs and a hardening of market conditions for this type of coverage have driven the cost of this coverage upward. In fact, the initial renewal discussions started at a 10-12% increase. Through our consultant, we have negotiated the lesser increase of 5.5% without any changes in coverage.

The City of Roswell is self-insured for workers' compensation claims. However, "stop loss" excess insurance is carried to cover the City in the event of a catastrophic loss or multiple large losses during the coverage period. If approved, this excess coverage with Midwest will have a \$600,000 per occurrence deductible and an aggregate retention of \$1,876,381.

Human Resources recommends that the City of Roswell renew excess workers' compensation coverage with Midwest Employers Casualty Company.

The amount of the request is within budget parameters.

Thank you for your consideration.