

ADMINISTRATIVE REPORT

DATE: September 22, 2022
TOPIC: #7.2 - Worker’s Compensation Insurance Renewal
PRESENTER: Dan Pyan, Executive Director of Finance & Operations
REFERENCE TO POLICY/STATUTE: Policy 701, Establishment and Adoption of School District Budget

PURPOSE OF REPORT

- a) The District entered into a contract with SFM beginning with the 2010–2011 policy period based on their submission of the most favorable quote for a fully insured workers compensation policy. The 2022–2023 renewal from SFM reflects a decrease of \$11,888 from prior year’s premium. The premium is decreasing despite a 5% increase in covered payroll. The mod rate decreased by 4%, The District and SFM continue ongoing efforts to control claims expense through workers safety programs, return to work programs, and more proactive claims management.
- b) An 8-year rate renewal history with SFM is included below:

<u>Coverage Period</u>	<u>Annual payroll</u>	<u>Experience Mod</u>	<u>Premium</u>
2014-15	\$ 124,256,967	1.00	\$ 1,072,321
2015-16	\$ 125,937,894	0.88	\$ 982,634
2016-17	\$ 139,706,804	0.81	\$ 999,122
2017-18	\$ 144,828,607	0.84	\$ 975,118
2018-19	\$ 153,710,720	0.95	\$ 1,005,288
2019-20	\$ 157,019,668	0.99	\$ 1,047,441
2020-21	\$ 160,232,806	1.03	\$ 1,082,062
2021-22	\$ 161,710,749	1.03	\$ 1,117,593
2022-23	\$169,500,922	0.99	\$ 1,105,705



- c) In 2019, the School Board approved a two-year retention program versus the one-year retention program that was used in prior periods. The premium amount would be the same but potential retention rebate would be higher when claims are lower, as they have been for the last several school years. In addition, there are no additional premiums if claims are higher than expected.

- d) Possible retentions are \$233,718 in 21-22 and \$232,245 in 2022-2023

RECOMMENDATION - Administration recommends approval of the Agreement.

