



## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** February 14, 2022

**AGENDA ITEM:** Consider approving the Workers Compensation coverage through the League of Minnesota Cities Insurance Trust.

**PREPARED BY:** Lynn DeGrio

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### **BACKGROUND:**

We have received a quote of \$273,382.00 for our Workers Compensation coverage through the League of Minnesota Cities Insurance Trust for 2022. This is a \$1,727.00 price decrease from last years' rate.

Each year a rate is set by job classification. The rate changes do not mean that our City's actual premium will necessarily increase or decrease by these exact amounts. The actual premiums are also affected by changes in city expenditures, property values, payroll, and other exposure methods, and also by changes in our experience rating. The League uses our actual claims for the three years preceding the present year (i.e. 2019, 2020, 2021) in figuring experience modification. This rate fluctuates based on claims made in previous years. The experience modification rate changed from .92 last year to .86 this year.

There is not an agent fee, since the Director of Human Resources performs the functions of the insurance agent.

This is a budgeted expense in the 2022 budget.

### **REQUESTED COUNCIL ACTION:**

Make a motion to approve the Workers Compensation coverage through the League of Minnesota Cities Insurance Trust for the 2022 plan year at the proposed rate of \$273,382.00 and authorize payment of the premium.