



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: January 28, 2026

AGENDA ITEM: Consider a motion to approve the 2026 workers' compensation premium coverage quotation regular premium option from the LMCIT in the amount of \$22,254 and authorize the General Manager to sign premium documents.

PREPARED BY: Taylor Bird, Finance Manager

BACKGROUND:

The League of Minnesota Cities Insurance Trust (LMCIT) is a self-insured membership cooperative. It was created by Minnesota cities for Minnesota cities and its fundamental purpose is to cover city risks and to mitigate hazards, not show a profit for stakeholders.

The LMCIT has coverage for property, liability, auto, and workers' compensation and LMCIT emphasizes coverage inclusion. LMCIT funds not needed for claims, expenses, or reserves are returned to members as a dividend.

The workers' compensation premium quotation for 1/1/2026 to 12/31/2026 is \$22,254 calculated on a base (manual) premium of \$31,905 less the experience modification credit of \$7,338 and less premium discount credit of \$1,859.

The experience modification factor is based on a formula that uses the past three years' history of claim costs for medical and worker loss time payments. Experience modification factors less than 1.00 result in a premium calculation credit. The mod factor credit of .77 is the lowest GRPUC has ever had.

Year	Base Premium	Experience Modification Factor	Premium Discount (credit)	Experience Modification (credit) Additional	Net Premium Deposit	Adjust for Agency Comm	Total Net Deposit Premium	\$ Change in Premium	% Change in Premium
2026	31,905	0.77	(7,338)	(1,859)	22,708	(454)	22,254	(30,189)	-58%
2025	58,026	1.01	(5,093)	580	53,513	(1,070)	52,443	(36,689)	-41%
2024	84,724	1.18	(9,023)	15,250	90,951	(1,819)	89,132	(11,886)	-12%
2023	96,034	1.16	(10,381)	15,365	101,018	-	101,018	22,613	29%
2022	92,591	0.93	(7,705)	(6,481)	78,405	-	78,405	3,561	5%

Management is recommending the regular premium option.

RECOMMENDATION:

Approve the 2026 workers' compensation premium coverage quotation regular premium option from the LMCIT in the amount of \$22,254 and authorize the General Manager to sign premium documents.