



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: December 18, 2024

AGENDA ITEM: Consider a motion to approve the 2025 workers’ compensation premium coverage quotation regular premium option from the LMCIT in the amount of \$52,443 and authorize the General Manager to sign premium documents.

PREPARED BY: Jean Lane, Business Services 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 1/1/2025 to 12/31/2025 is \$52,443 calculated on a base (manual) premium of \$58,026 plus the experience modification addition of \$580 and less premium discount credit of \$5,093.

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.

Year	Base Premium	Experience Modification Factor	Premium Discount (credit)	Experience Modification (Credit) Additional	Net Premium Deposit	Adjustment for Agency Comm	Total Net Deposit Premium	\$ Change in Premium	% Change in Premium
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%
2021	100,215	0.82	(7,332)	(18,039)	74,844	-	74,844	-	

Management is recommending the regular premium option.

RECOMMENDATION:

Approve the 2025 workers' compensation premium coverage quotation regular premium option from the LMCIT in the amount of \$52,443 and authorize the General Manager to sign premium documents.