



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, December 22, 2020																		
<b>Category:</b>	CONSENT AGENDA																		
<b>Type:</b>	ACTION																		
<b>Subject:</b>	Consider approval of 2020 Workers Compensation Insurance																		
<b>Background Information:</b>	<p>The premium for 2020 and estimated premium for 2021 are attached. The renewal is effective January 1, 2021 with the League of Minnesota Cities Insurance Trust.</p> <p>The workers compensation insurance covers City employees, elected and appointed officials, volunteer firefighters, all other volunteers, Library employees and Marshall Municipal Utilities employees.</p> <p>Staff recommends keeping the deductible at \$5,000. This will be an additional \$22,282 credit amount to the standard premium of \$297,089</p> <table style="margin-left: 20px;"> <tr> <td>Manual Premium</td> <td style="text-align: right;">\$ 495,148</td> </tr> <tr> <td>Experience Mod. 0.60</td> <td style="text-align: right;">-198,059</td> </tr> <tr> <td>Standard Premium</td> <td style="text-align: right;">297,089</td> </tr> <tr> <td>Deductible Credit 6.50%</td> <td style="text-align: right;">- 22,282</td> </tr> <tr> <td>Premium Discount</td> <td style="text-align: right;">- 32,479</td> </tr> <tr> <td><b>Net Deposit Premium</b></td> <td style="text-align: right;"><b>\$242,328</b></td> </tr> </table> <p>This premium is paid by the following:</p> <table style="margin-left: 20px;"> <tr> <td>City Portion</td> <td style="text-align: right;">\$198,413</td> </tr> <tr> <td>Library Portion</td> <td style="text-align: right;">\$2,567</td> </tr> <tr> <td>MMU Portion</td> <td style="text-align: right;">\$41,348</td> </tr> </table> <p>This is a \$18,341 or 8.19% increase from 2020 to 2021.</p> <p>The experience modifier has decreased from 0.63 in 2020 to 0.60 in 2021. That would indicate that staff are continuing to keep a safe work environment as well as continued training for staff in safety at the workplace.</p> <p>The rate increase also reflects the upward trend in overall insurance costs. An excerpt from the League of Minnesota Cities has also been included in the attachments for further reference to the increase in insurance premiums.</p>	Manual Premium	\$ 495,148	Experience Mod. 0.60	-198,059	Standard Premium	297,089	Deductible Credit 6.50%	- 22,282	Premium Discount	- 32,479	<b>Net Deposit Premium</b>	<b>\$242,328</b>	City Portion	\$198,413	Library Portion	\$2,567	MMU Portion	\$41,348
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<b>Fiscal Impact:</b>	The estimated annual 2021 premium for the city portion is \$198,413																		
<b>Alternative/Variations:</b>																			
<b>Recommendations:</b>	Approve renewal of the 2021 City's Workers Compensation Insurance with the League of Minnesota Cities Insurance Trust.																		