



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Monday, January 28, 2019																		
<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 2019 and estimated premium for 2020 are attached. The renewal is effective January 1, 2020 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 \$17,613 credit amount to the standard premium of \$241,600</p> <table style="margin-left: 20px;"> <tr> <td>Manual Premium</td> <td style="text-align: right;">\$ 430,112</td> </tr> <tr> <td>Experience Mod. 0.63</td> <td style="text-align: right;">-159,141</td> </tr> <tr> <td>Standard Premium</td> <td style="text-align: right;">270,971</td> </tr> <tr> <td>Deductible Credit 6.50%</td> <td style="text-align: right;">- 17,613</td> </tr> <tr> <td>Premium Discount</td> <td style="text-align: right;">- 29,371</td> </tr> <tr> <td><b>Net Deposit Premium</b></td> <td style="text-align: right;"><b>223,987</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;">\$182,289</td> </tr> <tr> <td>Library Portion</td> <td style="text-align: right;">\$2,580</td> </tr> <tr> <td>MMU Portion</td> <td style="text-align: right;">\$39,118</td> </tr> </table> <p>This is a \$8,612 or 4.00% increase from 2019 to 2020.</p> <p>The experience modifier has decreased from 0.68 in 2019 to 0.63 in 2020. That would indicate that staff will continue working 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 budget guide has also been included in the attachments for further reference to the increase in insurance premiums.</p>	Manual Premium	\$ 430,112	Experience Mod. 0.63	-159,141	Standard Premium	270,971	Deductible Credit 6.50%	- 17,613	Premium Discount	- 29,371	<b>Net Deposit Premium</b>	<b>223,987</b>	City Portion	\$182,289	Library Portion	\$2,580	MMU Portion	\$39,118
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<b>Fiscal Impact:</b>	The estimated annual 2020 premium for the city portion is \$182,289																		
<b>Alternative/Variations:</b>																			
<b>Recommendations:</b>	Approve renewal of the 2020 City's Workers Compensation Insurance with the League of Minnesota Cities Insurance Trust.																		

