



## Agenda Item Summary

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MEETING DATE: January 13, 2025  
SUBJECT: Pinnacol Workers Compensation Renewal for 2025  
PRESENTED BY: Mary Strutt, Administrative Services Director

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### SUMMARY

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Attached is the 2025 Renewal Information for the Town's workers' compensation policy through Pinnacol Assurance. Pinnacol has been Mead's workers compensation carrier for over 10 years and is one of the few carriers which insure municipalities with a police force.

Workers compensation insurance is required to cover employees for injuries which occur on-the-job. If injured at work, a claim is reported to Pinnacol who investigates the claim, coordinates medical care and assists with return-to-work issues. The employee's medical treatment, lost time from work and any disability may be paid under the claim, in accordance with state law. Premiums are based on the type of work (and risk involved) for the classifications of workers and the related salaries. In addition, there is an experience modification factor which is a factor based on the town's specific claim history. Mead does receive credits for having a designated provider program and other cost containment measures

The attached premium estimate shows the premium charge for each class of employee based on payroll. The 2025 estimated premium is \$127,266.00 for a policy with a \$1,000 deductible. This reflects an increase over the 2024 premium of 8.5%. The increase is mainly attributable to an increase in payroll. Several of the classification rates, including Public Works (shown under street or road construction) and Police have gone down slightly. For Public Works, the Town's employees are classified at the higher streets workers rate because employees do work in the roadway - fix potholes, plow snow, etc. Workers' Compensation requires that employees are classified at the highest class for their work.

The premium does show credits for cost containment and designated providers. There is an extra charge based on the Town's experience modification (claims history). The Town's experience modification, while still over the 1.0 ideal, dropped from 1.43 to 1.42. Historically, Mead has a few larger claims which have an adverse effect on this indicator.

Pinnacol will complete a payroll audit in the spring, as they do each year, to determine if the payroll forecast was accurate. If, at the end of the year, the town's actual payroll is less than estimated (usually based on vacancies/unfilled positions) a credit will be given.

Annually Pinnacol may release dividends based on overall claims performance. The attached dividend report indicates a dividend of \$2,941 for the 2024 policy year.

## FINANCIAL CONSIDERATIONS

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This rate quote was received at the end of our budgeting process and is higher than was anticipated. If there is not an adjustment to the rate based on the payroll audit and/or a dividend received, a budget amendment may be needed in the 4<sup>th</sup> quarter of 2025.

## STAFF RECOMMENDATION/ACTION REQUIRED

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Staff recommends approval of the Pinnacol renewal for 2025 in an amount not to exceed \$127,266.00 and delegation of authority to the Town Manager and Administrative Services Director to complete the renewal process.

A motion to adopt the January 13, 2025 consent agenda will approve this item. If this item is removed from the consent agenda for further discussion, a suggest motion is:

Suggested Motion:

“I move to approve the renewal of the Pinnacol Assurance Workers Compensation Policy according the quote received December 14, 2024, in an amount not to exceed \$127,266.00 and I further move to delegate authority to the Town Manager and Administrative Services Director to complete the renewal process.”

## ATTACHMENTS

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Pinnacol Renewal 2025  
Dividend History