



AGENDA ITEM ANALYSIS

Project/Issue Name: 22-R-15 A Resolution of the City Council Authorizing Payment to Missouri Rural Services Workers' Compensation Insurance Trust for Coverage for 2022-2023.

Submitted By: Lisa Addington, Chief of Staff

Date: 3/4/2022

Issue Statement

The City's worker's compensation insurance policy expires March 31, 2022. The renewal is for the period April 1, 2022 through March 31, 2023.

Discussion and/or Analysis

The renewal estimated premium from the Missouri Rural Services Workers' Compensation Insurance Trust for 2022/2023 is \$262,289. This represents an increase in actual premium of \$45,623 from the 2021/2022 estimated premium. The increase is due to an increase in payroll as well as an increase in the experience modification from 1.04 to 1.18 based on the past three years of claims data. We were aware of this increase and proactively budgeted for it and this renewal does come in under budget prior to the audit premium.

Recommended Action

Comparison of calculated premiums between the two renewal periods is as follows:

	2021/2022	2022/2023	
Manual Premium(t)	\$261,798	\$264,406	(based on payroll and classification rates)
Modified Premium(2)	\$272,270	\$311,999	(manual premium @ experience mod factor)
Deviated Premium	\$204,202	\$249,599	(max discount of 25%)
Additional Charges	\$10,220	\$12,690	(2nd injury fund/ Mo premium tax/ fixed expense)
Pro Rate Premium	\$216,666	\$262,289	

A workers' compensation audit is performed annually to review the city's payroll records and claims experience. The annual premium is paid in two parts: the current estimate, as provided, is \$262,289 for 2022/2023 and the remainder to be based on and invoiced after



an actual audit is performed for the 2022/2023 fiscal year. For reference, last year's audit resulted in a credit of \$3,390.

We typically obtain quotes every three years. We did receive two other quotes that were substantially more.

- MeM (Missouri Employers Mutual) = \$302,045
- MPR (Midwest Public Risk) = \$407,480

Recommended Action

Acceptance of the workers' compensation coverage from the Missouri Rural Services Workers' Compensation Insurance Trust for 2022/2023 in the amount of \$262,289 is recommended.