



## **AGENDA ITEM ANALYSIS**

Project/Issue Name: 24-R-10 A Resolution of the City Council Authorizing Payment to Missouri Rural Services Workers' Compensation Insurance Trust for Coverage for 2024-2025.

Submitted By: Lisa Addington, Chief of Staff

Date: 3/5/2024

### **Issue Statement**

The City's worker's compensation insurance policy expires March 31, 2024. The renewal is for the period April 1, 2024 through March 31, 2025.

### **Discussion and/or Analysis**

The renewal estimated premium from the Missouri Rural Services Workers' Compensation Insurance Trust for 2024/2025 is \$372,478. This represents an increase in actual premium of \$63,236 (21%) from the 2023/2024 estimated premium. The increase is due primarily to an increase in payroll. On a positive note, our experience modification decreased from 1.27 to 1.18 based on the past three years. While we are still in excess of actual expenses over anticipated, we are trending in the right direction.

We were aware of this increase and proactively budgeted for it.

We typically solicit quotes about every three years. We were able to obtain additional quotes from

Midwest Public Risk (MPR) = \$425,510

Missouri Employers Mutual (MEM) = \$377,428.



**Recommended Action**

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

	2023/2024	2024/2025	
Manual Premium(t)	\$291,068	\$377,370	(based on payroll and classification rates)
Modified Premium(2)	\$369,656	\$445,297	(manual premium @ experience mod factor)
Deviated Premium	-\$73,931	-\$89,059	(max discount of 25%)
Additional Charges	\$13,517	\$16,240	(2nd injury fund/ Mo premium tax/ fixed expense)
Pro Rate Premium	\$309,242	\$372,478	

A workers' compensation audit is performed annually to review the city's payroll records and claims experience for the prior year and we do anticipate an additional premium amount from the 2023/24 plan year.

This annual premium is paid in two parts: the current estimate, as provided, is \$372,478 for 2024/2025 and the remainder to be based on and invoiced after an actual audit is performed for the 2024/2025 fiscal year. By submitting the current payroll numbers just prior to receiving our renewal, should minimize the audited premium amount due.

**Recommended Action**

Acceptance of the workers' compensation coverage from the Missouri Rural Services Workers' Compensation Insurance Trust for 2024/2025 in the amount of \$372,478 is recommended.