



AGENDA ITEM ANALYSIS

Project/Issue Name: 25-R-09 A Resolution of the City Council Authorizing Payment to Missouri Rural Services Workers' Compensation Insurance Trust for Coverage for 2025-2026.

Submitted By: Lisa Addington, Chief of Staff

Date: 3/4/2025

Issue Statement

The City's worker's compensation insurance policy expires March 31, 2025. The renewal is for the period April 1, 2025 through March 31, 2026.

Discussion and/or Analysis

The renewal estimated premium from the Missouri Rural Services Workers' Compensation Insurance Trust for 2025/2026 is \$359,889. This represents a decrease in estimated premium of \$12,589 from the 2024/2025 estimated premium. This decrease due primarily to a decrease in experience modification from 1.18 to 1.04 based on the past three years. We have made great progress in lowering this mod and is now reflected in our premium renewal.

We were pleasantly surprised to receive a premium decrease.

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

	2024/2025	2025/2026	
Manual Premium(t)	\$377,370	\$413,691	(based on payroll and classification rates)
Modified Premium(2)	\$445,297	\$430,239	(manual premium @ experience mod factor)
Deviated Premium	-\$89,059	-\$86,048	(max discount of 25%)
Additional Charges	\$16,240	\$15,698	(2nd injury fund/ Mo premium tax/ fixed expense)
Pro Rate Premium	\$372,478	\$359,889	



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 2024/25 plan year.

This annual premium is paid in two parts: the current estimate, as provided, is \$359,889 for 2025/2026 and the remainder to be based on and invoiced after an actual audit is performed for the 2025/2026 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 2025/2026 in the amount of \$359,889 is recommended.