



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

C-12

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ALEJANDRINA BASQUEZ
DIRECTOR

June 18, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to purchase, through Alliant Insurance Services, excess workers' compensation insurance with Safety National Casualty Corporation, for a total premium not-to-exceed \$481,811, for the period of July 1, 2019 through July 1, 2020. (Citywide)

DISCUSSION

The continued purchase of excess workers' compensation insurance is important to protect the City from the negative financial consequences of high exposure losses that may result from injuries or deaths to employees due to major accidents, fires, terrorist attacks, and earthquakes, during work hours. The policy will also include coverage for terrorism, disability payments for public safety officers (Labor Code 4850 benefits), and communicable disease exposure. This coverage will be obtained through the City's casualty broker of record, Alliant Insurance Services.

This year's policy for excess workers' compensation will continue to provide \$150 million in coverage, excess of a \$5 million self-insured retention, at a premium of \$481,811, which represents an increase of 1.7 percent from the expiring policy, due to an increase in City payroll.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on May 30, 2019 and by Budget Manager Grace H. Yoon on June 3, 2019.

TIMING CONSIDERATIONS

City Council action is requested on June 18, 2019, to allow the City to bind insurance coverage by the renewal date of July 1, 2019.

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FISCAL IMPACT

The total premium cost will not exceed \$481,811 for the period of July 1, 2019 through July 1, 2020. Funding has been budgeted in the Insurance Fund Group in the Human Resources Department. The cost of excess workers' compensation insurance is recouped from all funds based upon department staffing (exposure) and workers' compensation claims experience, with approximately 70 percent allocated to the General Fund Group. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

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APPROVED:



PATRICK H. WEST
CITY MANAGER