

June 20, 2023

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager, or designee, to purchase, through Alliant Insurance Services, Inc., excess workers' compensation insurance with Safety National Casualty Corporation, for a total premium not-to-exceed \$724,011 for the period of July 1, 2023, through July 1, 2024. (Citywide)

**DISCUSSION**

The continued purchase of excess workers' compensation insurance is important to protect the City of Long Beach (City) from the negative financial consequences of high exposure losses that may result from injuries or deaths to employees due to major accidents during work hours. This coverage will be obtained through the City's casualty broker of record, Alliant Insurance Services Inc. (Alliant).

The general marketplace has shown little change over the prior several years from a workers' compensation trends perspective. As a result, the workers' compensation market continues to remain competitive. This year, as in previous years, the excess workers' compensation was sent to multiple carriers for consideration. Incumbent carrier, Safety National Casualty Corporation, was the most competitive with the lowest premium.

This year's policy for excess workers' compensation will continue to provide \$150 million in coverage, in excess of a \$5 million self-insured retention, at a premium of \$724,011, which represents an increase of 17 percent from the expiring policy, due to market increases and overall City payroll.

The Risk Management Bureau is strategizing various initiatives to continue to improve, stabilize, or drop the workers' compensation premiums and continue to increase employee safety and reduce employee injuries. These initiatives will likely continue to improve employee safety while driving workers' compensation injuries down resulting in the most favorable insurance premiums and coverages.

This matter was reviewed by Assistant City Attorney Gary J. Anderson on May 31, 2023 and Budget Management Officer Nader Kaamouh on June 2, 2023.

HONORABLE MAYOR AND CITY COUNCIL

June 20, 2023

Page 2

TIMING CONSIDERATIONS

City Council action is requested on June 20, 2023, to allow the City to bind insurance coverage by the renewal date of July 1, 2023.

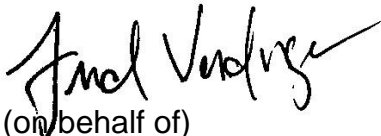
FISCAL IMPACT

The total premium cost will not exceed \$724,011 for the period of July 1, 2023 through July 1, 2024 compared to \$628,456 last year. This coverage will be paid out of the Insurance Fund Group in the Human Resources Department. The cost of the insurance is recouped from departments and funds based upon department staffing (exposure) and workers' compensation claims experience, with an estimated 62 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,



(on behalf of)

JOE AMBROSINI

HUMAN RESOURCES DIRECTOR

APPROVED:



---

THOMAS B. MODICA  
CITY MANAGER