



Legislation Text

File #: 18-0509, **Version:** 1

Recommendation to authorize City Manager, or designee, to purchase, through Aon, excess workers' compensation insurance with Safety National Casualty Corporation, for a total premium not to exceed \$474,143, for the period of July 1, 2018 through July 1, 2019.
(Citywide)

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 is obtained through the City's casualty broker of record, Aon.

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 \$474,143, which represents an increase of 5.31 percent from the expiring policy, due to an increase in City payroll.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on May 21, 2018 and by Budget Management Officer Rhutu Amin Gharib on May 23, 2018.

City Council action is requested on June 19, 2018, to allow the City to bind insurance coverage by the renewal date of July 1, 2018.

The total premium cost will not exceed \$474,143 for the period of July 1, 2018 through July 1, 2019. Funding has been budgeted in the Insurance Fund (IS 390) in the Human Resources Department (HR). The cost of excess workers' compensation insurance is recouped from all funds based upon department staffing (exposure) and workers' compensation claims experience, with 62 percent allocated to the General Fund. There is no local job impact associated with this recommendation.

Approve recommendation.

ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER