



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

R-15

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

DEBORAH R. MILLS
DIRECTOR

June 23, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to purchase excess workers' compensation insurance with Safety National Casualty Corporation for the period of July 1, 2015 through July 1, 2016, through the City's casualty broker Aon, for a total premium not to exceed \$425,000. (Citywide)

DISCUSSION

Maintenance of excess workers' compensation insurance is important to protect the City from the negative financial consequences of potential catastrophes involving multiple employee injuries or deaths from occurrences such as major fires, police activities, terrorist attacks and earthquakes during work hours.

This year's policy for excess workers' compensation is expected to provide competitive coverage limits in excess of the City's current \$4 million self-insured retention. The policy will include coverage for terrorism, Labor Code 4850 benefits, and communicable disease exposure. The renewal premium will not exceed \$425,000. The total premium represents a 10 percent increase over last fiscal year due to the City's increase in budgeted payroll expense.

This matter was reviewed by Deputy City Attorney Amy Webber on May 26, 2015 and Budget Management Officer Victoria Bell on May 27, 2015.

TIMING CONSIDERATIONS

City Council action is requested on June 23, 2015, to allow the City to officially bind insurance coverage by the renewal date of July 1, 2015.

FISCAL IMPACT

The total premium cost will not exceed \$425,000 for the period of July 1, 2015 through July 1, 2016. Funding has been budgeted in the Insurance Fund (IS 390) within the Department of Human Resources (HR). The cost of excess workers' compensation insurance is allocated to 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 request.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES

DRM:MVA
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APPROVED:



PATRICK H. WEST
CITY MANAGER