Legislation Details (With Text)

File #:	22-0676	**Version:**	1	**Name:**	HR - Excess Workers' Compensation insurance
Type:	Contract			**Status:**	CCIS
File created:	6/6/2022			**In control:**	City Council
On agenda:	6/21/2022			**Final action:**	6/21/2022
Title:	Recommendation to authorize 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 $628,456 for the period of July 1, 2022 through July 1, 2023. (Citywide)				
Sponsors:	Human Resources				
Indexes:					
Code sections:					
Attachments:	1. 062122-C-13sr				

Date	Ver.	Action By	Action	Result
6/21/2022	1	City Council	approve recommendation	Pass

Recommendation to authorize 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 $628,456 for the period of July 1, 2022 through July 1, 2023. (Citywide)

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).

Workplace injuries on average have continued to decline over the last ten years and loss ratios remain favorable. 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 $628,456, which represents an increase of 10 percent from the expiring policy, due to market increases and overall City payroll.

The Human Resources Department (Department) Risk Management Bureau is strategizing

various initiatives to continue to improve and 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 and Business Services Bureau Manager Tara Mortensen on May 27, 2022, and Budget Management Officer Nader Kaamoush on June 6, 2022

City Council action is requested on June 21, 2022, to allow the City to bind insurance coverage by the renewal date of July 1, 2022.

The total premium cost will not exceed $628,456 for the period of July 1, 2022 through July 1, 2023. The cost of excess workers' compensation insurance is charged to the Insurance Fund Group in the Human Resource Department and recouped from departments and funds based upon department staffing (exposure) and workers' compensation claims experience, with an estimated 65 percent allocated to the General Fund Group. The Department will return to the City Council at year-end to request any budget adjustments to align actuals to budget. 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.

Approve recommendation.

JOE AMBROSINI
HUMAN RESOURCES DIRECTOR

APPROVED:

THOMAS B. MODICA
CITY MANAGER