

ACTION MEMORANDUM

TO: Board of Education

FROM: David Gowan, Director of Safety and Security

SUBJECT: Workers Compensation Excess Insurance Policy Renewal

Summary

This is a recommendation for the renewal of the school district workers' compensation excess insurance policy with Safety National Casualty Corporation for the policy period January 1, 2020, to January 1, 2021.

Background

The school district maintains a workers' compensation self-insured retention of \$750,000.00 per claim. The workers' compensation excess insurance policy provides insurance coverage for any school district workers' compensation claim that exceeds \$750,000.00.

The school district engaged with Underwriters Safety and Claims, the school district's workers' compensation third party administrator, in an underwriting process to develop insurance market quotes for this insurance renewal. The Human Resources, Transportation, Accounting, and Safety & Security departments assisted in this effort.

Four insurance market quotes were obtained as a result of the underwriting process. All four quotes involve a \$750,000.00 self-insured retention per workers' compensation claim.

The four insurance market premium quotes were as follows:

- ARCH Insurance Company – \$151,036.00
- Midwest Employers Insurance Company – \$285,236 .00
- Safety National Casualty Corporation – \$130,315.00
- Star Insurance Company – \$127,239.00

The school district has maintained a stable relationship with Safety National Casualty Corporation for this coverage during the last five years. The insurance premium for this insurance for the current policy period of January 1, 2019, to January 1, 2020 is \$159,643.00. The recommendation with a premium of \$130,315.00 for the period January 1, 2020, to January 1, 2021, represents a savings for the school district of \$29,328.00.

Recommendation

It is recommended that the Board of Education authorize the Superintendent to renew the school district workers' compensation excess insurance policy with Safety National Casualty Corporation for the policy period January 1, 2020, to January 1, 2021. The premium to renew this policy is \$130,315.00.

Superintendent's Comments and Approval

<u>Superintendent's Comments</u>	
Dr. Curtis L. Jones, Jr.	Approved



**WORKERS' COMPENSATION
EXCESS INSURANCE
RENEWAL PROPOSAL
FOR**



**PRESENTED BY:
SOLOMON DEATON INSURANCE GROUP
UNDERWRITERS SAFETY & CLAIMS, INC.**

JANUARY 1, 2020



SPECIFIC EXCESS WORKERS' COMPENSATION

CURRENT TERMS

Carrier:	Safety National Casualty Corporation		
Effective Date:	January 1, 2019 to January 1, 2020		
Limit of Liability:	Statutory \$ 1,000,000.	Workers' Compensation Employers Liability	
Self-Insured Retention:	\$ 750,000.	Per Occurrence	
Estimated Annual Payroll:	\$153,650,201		
Rate Per \$100 Payroll:	.1039		
Annual Deposit Premium:	\$ 159,643	Minimum	

RENEWAL TERMS

Carrier:	Safety National Casualty Corporation		
Effective Date:	January 1, 2020 to January 1, 2021		
Limit of Liability:	Statutory \$ 1,000,000.	Workers' Compensation Employers Liability	
Self-Insured Retention:	\$ 750,000.	Per Occurrence	
Estimated Annual Payroll:	\$161,882,037 + 5.4 %		
Rate Per \$100 Payroll:	.0805 - 22.5 %		
Annual Deposit Premium:	\$ 130,315	Minimum	- 18.4 %

NOTE: Quotes received from other carriers:

A. ARCH	\$750,000 SIR:	\$ 151,036	Deposit Premium
B. Midwest Employers	\$750,000 SIR:	\$ 285,236	Deposit Premium
C. Star Insurance	\$750,000 SIR:	\$ 127,239	Deposit Premium

*Follow-up Discussion regarding Star Insurance terms quoted

Medical Management Program



Safety National® provides supplemental services to help manage complicated claims towards the best possible outcome by ensuring injured workers receive the correct diagnosis and treatment.

Benefits include:

- Early expert intervention on complex cases to help dramatically increase the chances of success. This includes higher level of functional recovery, reduced recovery times, avoidance of unnecessary treatments, less time out of work and less severity among cases.
- The ability to lower workers' compensation costs by reducing the risks and costs of inadequate treatment plans and unnecessary tests, procedures, prescription drugs and hospital stays.
- Predictive modeling to keep claims moving forward quickly and accurately and to identify problem claims early. Your team remains in full control of claims issues while gaining access to the world's best medical minds. Communication stays open. Claims stay on track.
- Peace of mind for employees, who can be confident they are getting the best possible care, improving satisfaction and reducing potential litigation.



Services include:

Catastrophic Claims Consulting

A catastrophic injury claims program that provides real-time guidance from top experts in trauma, rehabilitation and other specialties. This program helps to reduce errors and ensure that best practices are being followed to achieve the best possible clinical outcomes on the most-challenging and costly workers' compensation claims.

Impartial Medical Review

A pro-active, consultative medical review for injured workers at high risk for adverse developments in their medical condition. Based on specific needs, the case will be assigned to an expert physician to review the current diagnosis and treatment plan to make sure the diagnosis and care plan is accurate.

Long-Term Claims Evaluation

An independent scientific evaluation of complex, hard-to-resolve claims. This assessment helps to clarify the injured worker's clinical problems, identify appropriate medical solutions and then assist with implementation.

Chronic Pain & Opioid Dependency Program

A program that addresses chronic pain cases and opioid dependency by combining pharmacy review, behavioral therapy and expert physician oversight to create integrated treatment plans that teach injured workers how to successfully manage pain without the use of narcotics.

For more information, contact our medical management team at 866-762-2559 or MedMgmt@SafetyNational.com.