

**Carson City
Agenda Report**

Date Submitted: May 29, 2012

Agenda Date Requested: June 7, 2012

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Director of Finance

Subject Title: For Possible Action: Action to enter into an excess liability insurance policy with New York Marine Insurance Company for excess workers compensation liability insurance services for a total premium of \$75,597.

Staff Summary: Staff is recommending that Carson City enter into an insurance relationship with the above carrier for workers compensation excess liability insurance services for FY 12-13. We are recommending that we end our relationship with our current carrier, Midwest Casualty Insurance Company and change to New York Marine Insurance Company based on quotes received from the respective carriers. The total premiums for FY 11-12 were \$72,885 so the total increase would be 3.72 %.

Type of Action Requested: (check one)
☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to enter into an excess liability insurance policy with New York Marine Insurance Company for excess workers compensation liability insurance services for a total premium of \$75,597.

Explanation for Recommended Board Action: A copy of the coverages and the premiums is included. Midwest Employers Insurance Company quoted Carson City an amount of \$87,570 vs the quote from New York Marine of \$75,597, therefore we are recommending that we change carriers for our excess workers compensation insurance policy. We anticipate that the city will continue to save approximately \$900,000 in FY 11-12 and in FY 12-13 based on the premiums we were paying to the Public Agency Compensation Trust (PACT).

Applicable Statue, Code, Policy, Rule or Regulation: n/a

Fiscal Impact: Estimated at \$635,725 including estimated claim costs, excess insurance premiums and other administrative charges - this compares to \$1,643,894 in FY 09-10, which was the last year Carson City was fully insured with the PACT.

Explanation of Impact: Savings estimated at \$900,000- \$1,000,000 when compared to the fully insured plan with the PACT which will allow us to reduce our premiums paid by the funds and to continue to build our contingency reserve in the Worker's Compensation Fund.

Funding Source: Workers' Compensation Insurance Fund

Alternatives: Elect not to enter in the agreements and pursue other options for worker's compensation insurance.

Supporting Material: A copy of the quotes.

Prepared By: Nick Providenti

Reviewed By: Nancy Paulson Date: 5/29/12
(Department Head)
[Signature] Date: 5/29/12
(City Manager)
[Signature] Date: 5/29/12
(District Attorney)
Nancy Paulson Date: 5/29/12
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

Premium Summary	2012-2013 Midwest Employers	2012-2013 New York Marine
Capped Payroll	\$21,452,703	\$21,452,703
Rate / \$100	\$0.4082	\$0.3496
Annual Premium	\$87,570	\$75,597

Limits of Insurance	2012-2013 Midwest Employers	2012-2013 New York Marine
Workers Compensation	Statutory	Statutory
Employers Liability	\$1,000,000	\$1,000,000

Self-Insured Retentions	2012-2013 Midwest Employers	2012-2013 New York Marine
Firefighters, Police Officers (7710, 7720)	\$2,000,000	\$2,000,000
All Other Employees	\$750,000	\$750,000

Endorsements	2012-2013 Midwest Employers	2012-2013 New York Marine
Volunteer Endorsement	Included	Included
60 Days Notice of Cancellation	Included	Included
Deletion of Commutation Clause	Included	Included
Deletion of Late Reporting Clause	Included	Included
Waiver of Subrogation as required by written contract	IO-30	Included
Communicable Disease Endorsement	Included, Statutory	Included, \$50,000,000
Foreign Endorsement	Included	Included

This summary neither amends nor alters the insurance contract. Specific questions on all policy terms and conditions should be referred to your Wells Fargo Insurance Services representative and the policy itself should be reviewed.