

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
JULY 1, 2014 AGENDA**

Subject:	Action Required:	Approved By:
<p>Workers' Compensation Stop-Loss Insurance Coverage Renewal</p> <p>Submitted By:</p> <p>Human Resources Department</p>	<p>✓ Ordinance Resolution Approval Information Report</p>	<p>Bruce T. Moore City Manager</p>
SYNOPSIS	<p>The incumbent provider of Workers' Compensation Stop-Loss Coverage (Safety Nations) has offered a renewal effective May 1, 2014. With a 12% change in premium rate. Options to reduce the rate result in substantially greater risk to the Self-Funded Plan. This renewal represents the second year of a maximum sever (7)-year policy period noted in the most recent RFP.</p>	
FISCAL IMPACT	<p>Amounts required for this coverage were budgeted in the 2014 budget line item for the Workers' Compensation Program.</p>	
RECOMMENDATION	<p>Approval of a resolution authorizing the City Manager to extend the existing policy with safety National to provide Workers' Compensation Stop-Loss Insurance Coverage for City Self-Funded Workers' Compensation Program for a twelve (12)-month period effective July 1, 2014.</p>	
CITIZEN PARTICIPATION	<p>N/A</p>	
BACKGROUND	<p>The City is required to provide Workers' Compensation coverage for all employees and has been granted the privilege of being individuals Self-Insured since 1985. The Workers' Compensation Commission requires purchase of Stop-Loss coverage to limit total 'out-of-pocket' costs of individual claims.</p>	

**BACKGROUND
CONTINUED**

The only major insurance market area which seems to be hardening (more difficult to place or negotiate coverage) is reinsurance and in particular, Work Comp Stop-Loss. Options to reduce premium cost result in small savings but increase the risk of loss unacceptably.