

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

**BOARD OF DIRECTORS COMMUNICATION
JULY 7, 2015, AGENDA**

<p>Subject:</p> <p>Work Comp Stop-Loss Insurance Renewal.</p> <p>Submitted By:</p> <p>Human Resources Department</p>	<p>Action Required:</p> <p style="text-align: center;">Ordinance √ Resolution Approval Information Report</p>	<p>Approved By:</p> <p style="text-align: center;">Bruce T. Moore City Manager</p>
SYNOPSIS	<p>The incumbent provider of Workers’ Compensation Stop-Loss Coverage (Safety National) has offered a renewal effective July 1, 2015, with a 7.4% change in premium rate. Options to reduce the rate result in substantially greater risk to the Self-Funded Plan. This renewal represents the third 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 2015 Budget line item for the Work Comp 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, 2015.</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 individually Self-Insured since 1985. The Work Comp Commission requires purchase of Stop-Loss Coverage to limit total ‘out-of-pocket’ costs of individual claims. This reinsurance market continues to be ‘hard’ (more difficult to place or negotiate coverage) particularly for Work Comp Stop-Loss.</p>	

BACKGROUND
CONTINUED

Options offered to reduce premium cost result in small savings but increase the risk of loss unacceptably.