

SCHOOL EMPLOYEES LOSS FUND

Workers Compensation Program

Member Proposal of Insurance

July 1, 2025 to June 30, 2026

Presented to:

Prospect Heights SD #23

Dated:

May 2, 2025

Presented by:

SELF

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SELF Executive Summary (2025-2026)

The SELF workers compensation renewal for 2025-2026 is showing increased but stable loss developments. Loss development continues to rise at a controlled level due to the increase in overall payroll with schools being fully staffed for over 12 months now, following the pandemic. The continued decrease of NCCI class rate combined with increasing claim counts post COVID becomes another driving factor.

In preparing for the 7/1/2025-2026 renewal SELF and the Executive Committee rely on several key items including:

- **Program Loss Development** – the SELF actuary reviews total pool losses from the current and prior years to predict the “ultimate” cost to SELF. Using this ultimate loss calculation the actuary can select or pick the loss rate needed to fund losses for the coming 2025-2026 period. With in-depth analytics on loss performances, SELF then adopts additional loss control solutions and programs (like Nurse Triage) to help our members proactively improve in the long run.
- **Member Loss Development** – the cost of open claims is on the rise due to increasing medical costs. SELF uses a “loss sensitive” approach when calculating individual member contributions. As in previous years, member losses from the most recent three complete years are used to calculate the Individual district “Experience Modification” factor. This E-Mod, is unique to each member and is used when member contributions are calculated.
- **SELF Fixed Costs** – these costs include claims administration (Sedgwick), program administration (RPA/Gallagher), excess insurance premium, loss control (Gallagher Bassett) and various legal and professional fees. For 2025-2026 program fixed cost total \$2,210,333 which is a 1.02% increase from the prior year due to inflation and market, leaving us with a great renewal on fixed costs.
- **Excess Insurance** – SELF purchases stop loss protection excess of a \$1,000,000 retention. For 2025-2026 SELF remains with our current insurance provider, Safety National Casualty Corporation for their excess insurance. Safety National provided a very favorable excess insurance premium quotation resulting in a 15% rate reduction back in 2023 with a two-year rate guarantee.
- **Investment Income** – interest rates have helped SELF achieve a reasonable rate of return without taking on additional risk. Investment income helps to lower member annual contribution costs and help initiate value-added programs that greatly improve SELF’s member loss experience in the long run.
- **Loss Fund Confidence Levels** – with stable investment income and increasing loss development SELF continues to fund future losses at a 60% confidence level in 2025-2026. This results in a total pool loss fund of \$8,211,572.

SELF’s member equity, or surplus, remains very strong with around \$29 million as of February 2025. Member equity is achieved through lower-than-expected losses in previous years and interest income. Over the years, SELF has returned member equity to active members in the form of a premium offset. The amount returned will be decided and reflected in the May SELF full membership.

SELF’s commitment and high importance that it places on risk management and other cost reduction programs have contributed to the favorable financial results of the pool. Several of these programs have been in place now for many years and are having a significant impact on minimizing members’ total cost of risk. Programs include:

- **Safety Grant Program** – this program assists member districts through providing funds to purchasing loss conscious equipment specifically designed to reduce loss leading injuries. The program was first introduced in 2013 and has resulted in placing new safety equipment in schools and effectively improved different areas of loss within SELF. SELF Grant Program achieved 93% member participation in 2024-2025.
- **Monthly claim roundtable and settlement meeting** – this successful program continues to achieve favorable settlement results and IWCC case wins. SELF members are invited to attend these meetings to review open claims in their District.
- **Early claim reporting** – SELF encourages early reporting of claims and continues to enhance and simplify claim reporting and accident investigation with frictionless online reporting portal as well as nurse triage pilot program.
- **Educational Resources** – education and training continue to be provided by SELF. Districts have access to GCN educational webinars and bi-annual in-person loss control seminars to help inform and educate members on market updates and rising perils. Better protecting our members from a holistic view.

For the 2025-2026 program period SELF remains committed to conserving member assets through risk management and loss reduction activities.



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Coverage Summary

LIMITS	
Workers Compensation	Statutory
Employers' Liability	
• Bodily Injury by Accident, Each Accident	\$2,000,000
• Bodily Injury by Disease, Policy Limit	\$2,000,000
• Bodily Injury by Disease, Each Employee	\$2,000,000

COVERAGE ENHANCEMENTS
• Broad Form All States Endorsement – U.S.A. and District of Columbia
• Foreign Voluntary Workers Compensation Coverage
• Automatic Waiver of Subrogation – If Required by Written Contract
• Voluntary Compensation Endorsement



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Estimated Exposures

PAYROLL & RATE COMPARISON	07/01/2024 to 6/30/2025	7/01/2025 to 6/30/2026	% Change
8868 Professional Employees Estimated Payroll	\$16,020,034	\$16,484,615	2.9%
8868 Rate Per \$100	\$0.25	\$0.24	-4.0%
9101 School – All Other Employees Estimated Payroll	\$981,345	\$1,009,804	2.8%
9101 Rate Per \$100	\$2.56	\$2.48	-3.1%
7380 Commercial Drivers Estimated Payroll	\$0	\$0	N/A
7380 Rate Per \$100	\$6.55	\$6.33	-3.4%
Total Estimated Payroll	\$17,001,379	\$17,494,419	2.9%

MODIFIERS	07/01/2024 to 6/30/2025	7/01/2025 to 6/30/2026	% Change
Experience Modification Factor (E-Mod)	0.84	0.84	0.0%
SELF Pool Modification Factor (P-Mod)	0.94	0.94	0.0%



QUOTATION

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July 1, 2025 to June 30, 2026

CLASSIFICATION	ESTIMATED PAYROLL ¹	RATE/\$100	MANUAL PREMIUM
8868: Professional Employees (This includes all teachers, teachers' aides, administrative personnel, clerical, cafeteria employees, lunchroom/classroom supervisors or monitors)	\$16,484,615	\$0.24	\$39,563
9101: School- All Others (Custodial or maintenance workers)	\$1,009,804	\$2.48	\$25,043
7380: Commercial Drivers (Full-time and part-time bus drivers)	\$0	\$6.33	\$0
Total Manual Premium		\$64,606	

PRICING FACTORS	2024-2025	2025-2026	% CHANGE
Total Payroll	\$17,001,379	\$17,494,419	2.9%
Experience Modification Factor	0.84	0.84	0.0%
Total District Experience-Modified Premium	\$54,745	\$54,269	-0.9%
SELF Pool Experience-Modification Factor	0.94	0.94	0.0%
Total P-Modified Premium	\$51,460	\$51,013	-0.9%
Member Percent of Pool for Contribution²	0.6%	0.6%	-10.3%

	POOL TOTAL	MEMBER CONTRIBUTION
Program Fixed Cost	\$2,210,333	\$12,783
SELF Loss Fund Contribution (60% Funding)	\$8,211,572	\$47,490
TOTAL CONTRIBUTION 2025-2026	\$10,421,905	\$60,272
Return of Contributions – FY 2003-2023	\$2,000,016	(\$1,638)
District Payroll Audit (Credit/Debit) from 2023-2024	\$0	
TOTAL Estimated Deposit Contribution with Adjustments for 2025-2026	\$58,635	

DO NOT PAY FROM THIS QUOTATION

YOUR 2025-2026 SELF INVOICE WILL FOLLOW WITH PAYMENT INSTRUCTIONS IN JUNE

¹ Auditable payroll

² Member P-mod premium compared to overall program total P-mod premium