



**WOODRIDGE**  
SCHOOL DISTRICT 68

# memo

To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: May 16, 2025  
Subject: SELF Worker's Compensation Insurance Renewal Discussion

---

We purchase our Workers' Compensation Insurance through a school purchasing cooperative, SELF (the School Employees Loss Fund), administered by Arthur J. Gallagher and Associates. We have been a member of this cooperative pool for many years and have been very happy with the coverage and service provided, both by Gallagher as the administrator of the program and Sedgewick/York, as the claims administrator and program coordinator of our workers' compensation risk management program. Based on a school district of our size and staff composition in Illinois, with a normal/average amount of claims experience, we would probably expect to spend around \$ 125 K- \$ 150 K per year for workers' compensation insurance coverage if we were to purchase coverage independently in the marketplace. Instead, we join over 100 other school districts and special education cooperatives in Illinois to pool our claims together, thereby ensuring that we can get greater lines of coverage at a lower overall cost.

As described in prior years, due to our good claims experience (one of the best in the pool historically) we were invited to be a part of a Large Deductible Option (LDO) self-funding program several years ago and thereby realized even lower premiums by agreeing to "self-insure or self-fund" for an initial layer of claims (we have selected a \$100,000 level of self-insurance in the past). This has saved us almost \$400,000 during the past dozen or more years, compared to what we would have paid in SELF's regular program (we pay around \$50K to \$75K annually versus \$100K to \$125K for the regular SELF plan), and even more when compared with expected premiums from private carriers (\$125K-\$150K, or more). However, in 2017, 2018 and 2019 we had three bad claims years in a row, thereby requiring replenishment of our self-funded account, a temporary increase in premiums, and repayment of prior years' losses that more than offset some credits we received for our payroll audits and our dividend refunds. Therefore, we paid \$237,946 in premiums and refunds in 2017-2018 and \$197,445 in 2018-2019 and \$198,542 in 2019-2020 to cover those additional claims and insurance costs. However, our claims experience the past five years has been much better and our premiums have trended back down toward historical averages (we paid under \$60K for the LDO Program last year).



# memo

For the past five years, our claims experience has been much better, and we have therefore seen our modification rating drop and our claims experience costs decrease, along with large premium reductions. We are hoping not to have to pay any prior year losses again this year for the fourth year in a row. We therefore hope that our workers' compensation insurance expense for this year will be under \$75,000 when all is said and done, and hopefully trending back toward that \$50K to \$60K range we had seen previously. Our projected traditional program premium is \$116,339, but with credits and offsets, we would only pay \$55,551. I will again be attending the SELF annual renewal meeting on May 16<sup>th</sup> and I will bring final renewal information to the Board for approval on June 16<sup>th</sup>. Based on the preliminary information we received from SELF last week, it looks like the Pool's modification rating improved from .87 to .85 (lower is better) and our modification rating stayed strong at .65 (really good news, as it reflects how much below average our claims are over a five year period...1.0 is average overall and below the .85 pool average is awesome). This is one of the best modification ratings in SELF (we were over 1.2 just a few years ago) and should lead to continued reduced premiums for next year. Once we decide if we want to participate in the LDO Program (we probably will, but I need to see the finalized pricing for this option first), we would then get an invoice from SELF in June and would pay our premiums for next year (7/1/25-6/30/26) in July.

Assuming we have reversed the negative claims experience trend from a few years ago, and that we realize a continued low modification rating for the fourth year in a row, I would expect us to participate in the LDO program (at the \$100K self-insurance level) for less than \$55,000 in total premiums costs. We hope to maintain a decreased modification rating of less than .85 (the pool average) as it is based on a five-year rolling average of data and claims experience in order to maintain our LDO fund account balance and minimize out of pocket costs for this insurance program. We hope to see these expenses decrease to about \$50K and then hopefully stay in the \$50K to \$60K range thereafter. If you have any questions regarding this preliminary information or the preliminary SELF renewal, please let me know.