



## Executive Summary Finance Committee Meeting

DATE: April 21, 2022

TOPIC: Workers' Compensation Insurance Coverage for FY23

PREPARED BY: Courtney Whited

### Recommended for:

- Action
- Discussion
- Information

### Purpose/Background:

A reservation of rights letter was sent from SD74 to IPRF which acknowledged receipt of it via USPS-mailed letter, as well as the returned USPS certified mail ticket. This allows the District to break away from IPRF for workers' compensation coverage in July, if desired. Should the District prefer to remain with IPRF, a letter must be sent indicating so before June 1. District Legal Counsel has reviewed the Accident Fund Contract and stated Workers' Compensation coverage in Illinois is largely driven by statute. They (Accident Fund) cover what they are required by law to cover for Workers' Compensation. For the Employer's Liability coverage, the exclusions are to be expected. Administration was advised to make sure all of the District worksite addresses are correctly listed on page 3 of the PDF "Schedule of Covered Workplaces". On 4/13/2022, the broker sent updated IPRF cost estimates. See attachments.

### Fiscal Impact:

**\$60,376** estimated in FY23 with new vendor, Accident Fund

OR

**\$58,754** estimated in FY23 with IPRF (\$60,308 premium, -\$3,363 safety grant, \$1,809 admin. fee)

The District paid \$86,204 plus a \$2,586 annual administrative fee in 2021-22 then received \$3,363 in Safety Grant funds with vendor IPRF (**\$85,427**)

### Recommendation:

The Finance Committee concurs with the Administration to recommend to the Board of Education to remain with IPRF for workers' compensation insurance during Fiscal Year 2023 at an estimated net cost of \$58,754; and directs the Administration to send a letter to IPRF to cancel the reservation of rights notice sent on March 25, 2022.