



Executive Summary Finance Committee Meeting

DATE: January 20, 2022

TOPIC: Property/Casualty Insurance Alternatives to Collective Liability Insurance Cooperative (CLIC) and
Workers' Compensation Alternatives to Illinois Public Risk Fund (IPRF)

PREPARED BY: Courtney Whited

Recommended for:

Action

- Discussion
- Information

Purpose/Background:

As requested by the Finance Committee, the Administration explored property/casualty and workers' compensation insurance alternatives to the current providers, CLIC and IPRF. The District's Legal Counsel has not reviewed either insurance company's quote. These findings are presented in time to draft a reservation of rights letter to CLIC and/or IPRF, if the Committee deems it necessary.

Fiscal Impact:

CLIC Property/Casualty	Annual Cost	Cost Change Over Prior Year	Percentage Change Over Prior Year
2021-22	\$95,427	+ \$20,256	+ 26.95 %
2020-21	\$75,171	+ \$10,637	+ 16.5 %
2019-20	\$64,534	+ \$4,443	+ 7.4 %
2018-19	\$60,091		

IPRF Worker's Comp.	Annual Cost *Final Audited	Cost Change Over Prior Year	Percentage Change Over Prior Year
2021-22	\$88,790 (Grant \$3,363)	+ \$8,270	+ 10.3%
2020-21	\$80,520* (Grant \$2,341)	+ \$10,183	+ 14.5%
2019-20	\$70,337* (Grant \$1,878)	- \$5,330	- 7.0%
2018-19	\$75,667* (Grant \$755)	- \$74,846	- 49.7%
2017-18	\$150,513 CLIC		

Assured Partners performed a relatively thorough exploration of carriers, as follows:

Package Lines and Workers Compensation

Liberty - Quoted
 ICRMT - Quoted
 CNA - Declined
 Selective - Declined
 Utica - Postponed

Workers Compensation ONLY

Accident Fund - Quoted
 Employers - Declined
 ICW - Declined
 Zenith - Quoted
 Hartford - Quoted
 Encova - Declined
 ICRMT - Quoted
 Liberty - Quoted
 Selective - Declined
 Utica – Declined

Pollution – Both of these are wholesale brokers who approached multiple markets

Burns And Wilcox – not competitive
 Socious – Quoted

Student Accident

ICRMT – Not competitive

Philadelphia - Quoted

QBE - Quoted

The CLIC/IPRF combined insurance cost for the District is currently \$180,854 after considering the \$3,363 IPRF safety grant. It is worthwhile to note the IPRF rate has not yet been audited. Oftentimes, a refund is issued due to the difference between the audited annual payroll and the estimated payroll. Assured Partners requested pricing estimates from several providers and received two responses for both packages and five responses for workers compensation insurance. One carrier noted that SD74 solicited pricing last year and declined to provide estimated figures this year.

Illinois Counties Risk Management Trust (ICRMT) estimated a total of \$209,266 which is almost \$30,000 more than SD74 currently pays for both coverage plans.

Liberty Mutual responded this year and last year. The total package estimate was \$171,391 which is subject to change as a July renewal date approaches. There is a potential savings estimated near \$9,500. However, if Liberty Mutual were to parse out the workers' compensation portion at \$52,523, the District may potentially experience a workers' compensation savings of nearly \$33,000.

If Liberty Mutual declines to parse out the workers' compensation coverage or does so but the rate greatly increases, Accident Fund is the next company in line offering significant workers' compensation savings at an estimated annual cost of \$68,394.

Recommendation:

This summary and the attachments are for informational purposes. The Administration requests direction from the Finance Committee on any next steps.