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Approval of 2026 Workers' Compensation Policy Renewal

Purpose

To provide the Board of Education with a comprehensive overview of the 2026 Workers' Compensation insurance renewal proposal from the Illinois Public Risk Fund (IPRF). This report details the cost increase from the 2025 policy year and requests Board approval to bind this mandatory coverage.

Background and Information:

The Illinois Workers' Compensation Act (820 ILCS 305/) is a state law that mandates all public and private employers provide insurance coverage for employees who may be injured or become ill as a result of their job. This "no-fault" insurance covers medical expenses, disability benefits, and lost wages.

This policy is a primary fiduciary responsibility of the Board, as it protects both our staff and the district from significant financial and legal liability. The district is a member of the Illinois Public Risk Fund (IPRF), a self-insured pool for public entities in Illinois, which provides our coverage.

2026 Renewal and Cost Analysis:

The administration has received the official 2026 renewal proposal from IPRF via our broker, Ramza Insurance Group Inc. The policy period is from January 1, 2026, to January 1, 2027.

The total estimated cost for the 2026 policy is **\$208,019**. This represents a **\$40,622 (24.27%)** increase over the 2025 policy cost of \$167,397.

A direct comparison is detailed below:

Policy Year	2025 (Current)	2026 (Proposed)	Change
Total Estimated Cost	\$167,397	\$208,019	+\$40,622 (24.27%)

Reason for Cost Increase:

The \$40,622 increase is primarily driven by two factors detailed in the IPRF proposal:

- Increase in Estimated Payroll:** The district's total estimated payroll used for the WC calculation has increased from \$10,794,000 in 2025 to \$11,987,000 for 2026.
- Increase in Premium Rates:** The premium rates charged by IPRF per \$100 of payroll have also increased for both employee classifications:
 - "School Professional" (Code 8868):** Rate increased from 0.901 to 1.001.
 - "School All Other" (Code 9101):** Rate increased from 9.615 to 10.771.

Process and Timeline:

The district's current Workers' Compensation policy expires on January 1, 2026. Board approval is required at the November 2025 meeting to authorize the administration to bind this renewal and ensure there is no lapse in this legally-mandated coverage.

Statutory Requirements After Final Approval:

Once approved, the district will execute the renewal with IPRF. This action keeps the district in compliance with the Illinois Workers' Compensation Act, which is a non-negotiable legal requirement for all Illinois employers.

Administrative Recommendation:

The administration recommends the Board of Education approve the renewal of the Workers' Compensation and Employers' Liability policy from the Illinois Public Risk Fund (IPRF) for the policy year January 1, 2026, to January 1, 2027, at a total estimated cost of **\$208,019**.