



Oak Park Elementary School District 97

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To: Members, Board of Education
Dr. Carol Kelley, Superintendent

From: Laurie Campbell, Assistant Superintendent for Human Resources

Re: SELF Workers' Compensation Insurance Rates – 2018-2019 School Year

Date: June 12, 2018

School District 97 participates in the SELF Workers' Compensation Insurance Cooperative. Founded in 1986, the SELF Insurance Cooperative is self-funded, self-governed and comprised of 84 member school districts in the Chicagoland area. Rates for individual school districts within the SELF Cooperative are determined based on a combination of the overall pool performance and individual district performance.

The estimated total due to SELF will be \$231,981 for the July 1, 2018 -June 30; 2019 plan year. This figure is a decrease of \$30,090 from the SELF estimated total in the prior year. The Large Deductible Contribution amount (at the \$25,000 deductible level) is \$162,964. This is a decrease of approximately \$15,046 from the prior year and is a result of a combination of lower payroll amounts and claims experience.

The SELF pool continues to have excellent experience as a cooperative. The following are highlights of the rate increases, cost factors, and plan design from the 2017-2018 renewal presentation:

1. SELF has experienced lower than expected losses
2. Interest income has been improving
3. Fixed costs for the SELF pool have decreased slightly (-2.62%).
4. SELF has a written procedure to return surplus back to the members. As a result, the 2018-2019 SELF renewal includes a recommended return of surplus contribution amounting to \$1.5 million surplus in aggregate for the entire pool. District 97 will receive a portion of this distribution (as a return of contribution/dividend) in the actual 2018-19 invoice which will be sent to the District in July.

It is our hope that District 97 continues to proactively promote safe working conditions, maintaining a safe working environment, reporting claims promptly, and actively managing claims so the District continues to see favorable rates and experience ratings. The administration recommends approval of the 2018-2019 SELF Workers Compensation Insurance Fund Renewal Rates as presented.



Large Deductible Option (LDO)

SCHOOL EMPLOYEES LOSS FUND

July 1, 2018 - June 30, 2019
Oak Park SD97

Deductible Options (higher deductible available on request)	\$25,000 Deductible	\$50,000 Deductible	\$100,000 Deductible	\$250,000 Deductible
SELF Estimated Contribution (Standard Program Cost)	\$253,837	\$253,837	\$253,837	\$253,837
Large Deductible Factor	0.642	0.533	0.457	0.347
Large Deductible Contribution	162,964	135,295	116,004	88,082
Administrative Cost (Annual)	\$1,500	\$1,500	\$1,500	\$1,500
Loss Fund Deposit (1)	\$40,000	\$40,000	\$40,000	\$40,000
SELF Large Deductible Deposit (includes large deductible contribution, administrative cost and loss fund deposit)	204,464	176,795	157,504	129,582
Replenishment for current LDO (2)	27,517	27,517	27,517	27,517
TOTAL DUE SELF	231,981	204,312.32	185,020.68	157,098.57

(DO NOT PAY FROM THIS LDO QUOTATION)

Deductible Level	Average Estimated District Losses ⁽³⁾
\$25,000	74,741
\$50,000	97,312
\$100,000	113,307
\$250,000	136,178

Deductible Level	Average Estimated District Costs (includes admin cost)
\$25,000	239,204
\$50,000	234,108
\$100,000	230,811
\$250,000	224,259

1. Loss Fund Deposit for Deductible use. Loss Fund Deposit is subject to change based on losses paid within the deductible period. See Page 2 for further explanation.
2. Replenishment for prior years, Participating LDO members only
3. Loss Estimate projected by the SELF Actuary and is based on pool averages. Actual losses will vary by district.

**SELF Large Deductible Terms
Oak Park SD97**

- Selected Deductible is applied towards each and every loss
- Member Standard Program Contribution greater than \$100,000
- \$1,500 Administrative Fee
- The POOL TPA will adjust claims in the deductible and continue until all claims are closed.
 - Each member is required to establish a member loss fund (\$40,000) that will be used to pay losses within the deductible. When member loss fund dollars are reduced to \$10,000 through payment of deductible losses, an invoice will be sent to the member in the amount of \$40,000 to replenish the member loss fund. Funds must be remitted to SELF within 30 days of receipt of the invoice.
 - SELF reserves the right to increase a member's loss fund if deductible payments exceed 35,000 in two consecutive months.
 - Failure to remit funds within 30 days will result in the immediate reversion of the "Deductible Plan" to the "Guaranteed Cost Plan" the member would have been covered under had they not chosen the "Deductible Plan". The reversion cost will be calculated as follows:

Guaranteed cost contribution less contribution under the deductible plan = reversion charge.

Note: the reversion charge does not include any payments the member may have made for losses within the deductible or the \$1,500 administrative fee.

- When all claims are closed, any member loss fund dollars held by SELF will be returned to the District.
- If a Pool Assessment is required for a specific policy period, those members covered on the Large Deductible plan will be charged their portion of the assessment based the percentage their contribution under the "deductible plan" bears to all member contributions. Members covered under the "Deductible Plan" are not released from their obligation to pay deductible losses in the event of an assessment.
- A signed SELF-Large Deductible Member agreement will be required.
- Agreement ends: 1) when all claims are paid and closed or 2) as proscribed by the terms of the agreement (nonpayment, change in financial status, default/exit from the Large Deductible plan).

I have read the above and agree to the terms and conditions of the Large Deductible Program:

SD: _____ **Deductible Selection:** _____

Signature: _____ **Date:** _____

Title: _____