



MEMORANDUM

TO: ISD 110 School Board

FROM: Pam Carman, Director of Finance & Operations

DATE: June 22, 2026

SUBJECT: Worker's Compensation Insurance Renewal

Overview

The purpose of this memorandum is to request School Board approval for the renewal of the District's Workers' Compensation Insurance coverage with SFM Mutual Insurance and Volunteer Accident Insurance coverage with HSR for the policy period of July 1, 2026 through July 1, 2027.

Background / Context

Marsh McLennan Agency completed the annual renewal process for the District's workers' compensation program. The proposed renewal maintains the District's current coverage structure and continues participation in SFM's two-year retention program.

The total estimated annual premium for 2026-27 is \$186,808, which represents a decrease of \$3,787 from the current year's premium of \$190,595 despite increased payroll exposures. The renewal includes:

- Workers' Compensation Insurance (SFM Mutual): \$186,409
- Volunteer Accident Insurance (HSR): \$399

The renewal reflects updated audited payroll figures and a modest increase in the District's experience modification factor from 1.10 to 1.12. Despite these factors, SFM provided a 17% schedule credit, resulting in a premium reduction of approximately \$73,381.

The District will also continue participation in SFM's retention program, which provides the opportunity for future premium returns based on favorable claims experience. Since implementation, the program has returned a total of \$82,737 to the District, including a retention refund of \$16,742 received last year.

Recommendation

It is recommended that the School Board approve renewal of the District's Workers' Compensation Insurance policy with SFM Mutual Insurance and Volunteer Accident Insurance policy with HSR for the 2026-27 policy term in the total estimated amount of \$186,808.