



**LAKE BLUFF
SCHOOLS**
DISTRICT 65

TO: Board of Education
Dr. Lisa Leali, Superintendent

FROM: Jay Kahn, Director of Finance and Operations/CSBO

DATE: June 18, 2024

RE: Workers' Compensation Policy 2024-25

Recommendation

Administration recommends that the Board approve a one-year Workers' Compensation Insurance Policy renewal with *Accident Fund Insurance Company of America* for the premium amount of \$31,532.

Background

Under the Illinois Workers' Compensation Act, all employers are required to carry Workers' Compensation insurance. All job related injuries or diseases, with few exceptions, are covered by the Workers' Compensation Act. If an injury is caused by an accident that arose out of and in the course of the injured person's employment, then it is covered under the Illinois Workers' Compensation Act regardless of fault. The act provides for medical care, temporary and permanent disability, rehabilitation services, and death benefits.

Workers' Compensation premiums are based on industry wide rates of claims paid per dollar of payroll for different classifications of employees (for example, the rate for custodians is higher than that for teachers). These premiums are then subject to modification based on the experience of an individual employer. The district pays an estimated premium and then the amount is adjusted at year-end when final payroll numbers are known.

Current Situation

The District's broker, T.A. Cummings/Assured Partners, obtained three quotes – from *Am-Trust*, *V3* and *Accident Fund* – the *Accident Fund* renewal was the most competitive and represents a 17% increase vs last year's premium (on a constant payroll basis).

Our Experience Mod, an industry measure of risk based on our claims history, increased from 0.78 to 0.95 due to an increased level of claims in 2021. The increase in premium is being driven the change in our mod, as well as general inflationary pressures in the insurance market

Based on a positive experience with the insurance company and a competitive renewal, Administration recommends continuing our coverage with the Accident Fund.

We will continue to receive the TeleCompCare service at no additional cost. This service provides a toll free number for employees to call when they are injured. They will speak to a licensed nurse who will complete all the necessary information, provide treatment advice and direct them to the appropriate form of care, and complete all required paperwork and documentation. This service benefits employees by helping them receive the care they need and aids the employer by reducing administrative work, and keeping claim costs down through prompt and accurate record keeping and by recommending the most appropriate and cost effective form of care.



Worker Compensation Coverage

Insurance Company: **ACCIDENT FUND INSURANCE COMPANY OF AMERICA**

Workers Compensation: **Statutory Illinois Workers Compensation Benefits**

Employers Liability: **\$1,000,000 Each Accident/\$1,000,000 Disease-Pol. Limit
\$1,000,000 Disease- Each Employee**

Code	Classification	Accident Fund 2023-24 Expiring	Accident Fund 2024-25 Renewal	Am-Trust	V3	Proposed Accident Fund 2024-25 Updated Payroll
8868	Schools-Prof. Empl.	\$11,850,000	\$11,850,000	\$11,850,000	\$11,850,000	\$12,355,000
9101	Schools - All Other	\$450,000	\$450,000	\$450,000	\$450,000	\$465,000
7380	Drivers	IF ANY	IF ANY	IF ANY	IF ANY	IF ANY
	Total Annual Premium	\$25,914	\$30,338	\$55,003	\$48,380	\$31,532

Advantages of the Selected School Association

- Accident Fund Insurance Company of America is an “*Excellent*” rated company by A.M. Best.
- Your costs are guaranteed with Accident Fund and may be reduced with a dividend.
- Accident Fund has a financial stability of a \$750 million surplus insurance company; they are number 15 in the United States.
- No charge for loss control visits, and on-line loss control library resources available.
- No charge for administrative costs, claims service or broker fees.
- Annual Contract; no 3-year minimum commitment.
- TeleCompCare

TeleCompCare is Accident Fund’s solution to Nurse Triage. Details are spelled out on the attached documents. This solution will over time provide faster more focused levels of care to injured workers. Ultimately, lowering costs.



AssuredPartners
ILLINOIS

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Claims Summary Valued 3/10/2024

Year	Total Incurred
2019	\$1,085
2020	\$436
2021	\$44,698
2022	\$5,286
2023 to 3/10/2024	\$0
TOTAL CLAIMS INCURRED	\$51,505

Current Experience Mod .95
Prior Mod .78

Compensation Disclosure: AssuredPartners agencies are licensed as insurance producers by the various States where we are transacting insurance, which includes the sale, solicitation, and servicing of insurance business, as well as advising on the relative benefits of certain insurance policies and risk management programs.

Our agencies typically receive compensation from insurers in the form of commissions paid as a percentage of the premiums due the applicable insurance companies. Commissions can vary by insurance company, by volume of business placed with that company or the profitability thereof, and other factors. In other cases and depending on various State laws and the capacity in which our agency is acting, our agencies may receive other forms of compensation from insurers, insurance intermediaries, premium finance companies and other vendors, such as contingents, overrides, profit-sharing, premium finance fees, expense reimbursements, producer subsidies, award trips, meetings and other incentives. We also earn interest on premiums we hold until it is time to pay the applicable insurance companies. Our overriding desire is to provide great client service, having you, the client, believe we have earned our compensation. We believe in full disclosure of our compensation.

Accordingly, if you have any questions about the compensation we receive from your policies (including policies we propose to you), please ask your account representative, who will gladly provide you a summary of our compensation arising from your policies (some estimation may be necessary, for example where contingents are involved). We thank you for the opportunity to serve and appreciate your interest.