



## Executive Summary Finance Committee Meeting

DATE: March 24, 2022

TOPIC: Workers' Compensation Proposals

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### Recommended for:

Action

Discussion

Information

### Purpose/Background:

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

Switching to Accident Fund would mean some similarities and differences when compared to IPRF. Accident Fund Coverage: Two coverages- A) All statutory which covers medical bills,  $\frac{2}{3}$  lost wages and settlements without limits; B) Employers' Liability which is currently \$3M with IPRF but Accident Fund would give \$1M which could be fortified by Accident Fund to the existing CLIC umbrella policy. Employers' Liability cases are not common.

The Accident Fund Claim Process: Four methods- A) Employee reports to Supervisor and then Employee calls nurse triage line and provides information on the event and injuries sustained; B) Business Office calls 1-800 number to verbally give details to Accident Fund who will fill out IL Form 45; C) Business Office submits a Form 45 online; D) Business Office fills out report of injury form IL Form 45 to AF

Accident Fund's Selected Schools Program was established 15 years ago. It has remained stable relative to pricing for school districts. It is a group program that covers schools as their specialty. Skokie 68, Fairview 72 and Skokie 73.5 have Workers' Compensation coverage through Accident Fund. There is no

safety grant with Accident Fund but there is the potential of a dividend payout. It is calculated for each

policy year. The most recent 3.0% dividend occurred in October 2021 for the 2019-20 policy year. However, there was no dividend for the 2018-19 policy year. The dividend funds have no restrictions when it comes time to spend them. Their quote was based on an audited payroll from 2020-21 so if the final audited payroll for 2022-23 is a greater amount, the pricing would reflect that increase by the same percentage. Accident Fund also performs free site visits for loss control and has an online repository of training materials. Finally, this is a one-year term with no complicated process or lengthy window for discontinuing cancellation.

**Fiscal Impact:**

\$70,600 is the estimated FY23 IPRF pricing which is \$18,190 less than the current annual IPRF costs  
 Accident Fund’s \$60,376 quote would provide an annual cost savings of \$28,414

Liberty Mutual’s \$77,192 quote would provide an annual cost savings of \$11,598

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

**Recommendation:**

Administration seeks guidance from the Finance Committee on the following options:

- A) Send a Reservation of Rights letter to IPRF before the March 31, 2022 deadline and move forward with the process of contracting with Accident Fund for Fiscal Year 2023 Workers’ Compensation coverage (District may or may not ultimately sign with Accident Fund after legal counsel reviews the plan).
- B) Remain with IPRF for Fiscal Year 2023 and let the March 31, 2022 deadline for submitting a reservation of rights pass without submitting such a letter from the District.