

ATTACHMENT NO. VIII-I

ATTACHMENT NO. VIII-I:           Renewal of Workers Compensation Insurance and  
Property/Liability/Auto/Umbrella Insurance

Suggested motion:                   Move to renew Prairie State Insurance Cooperative  
Insurance coverage

Recommended action:               Approve the motion

It is recommended that the Board approve the 2018-2019 renewal of workers compensation insurance as proposed by the Prairie State Insurance Cooperative, Inc. The cost for 2018-2019 worker's compensation coverage will be \$101,270. This is an 8% increase over the prior year's renewal amount of \$93,923.

It is also recommended that the Board approve the 2018-2019 renewal of property / liability / auto / umbrella insurance as provided by the Prairie State Insurance Cooperative. The cost for 2018-2019 coverage would be \$88,143. This is a 3% decrease from the 2017-2018 renewal of \$90,778. This renewal also includes the Board legal liability and student accident insurance.

**PRAIRIE STATE INSURANCE COOPERATIVE**  
**2018-2019 WORKERS' COMPENSATION PROGRAM COST COMPARISON**

**District: North Boone Community Unit School District #200**

<b>PAYROLL INFORMATION</b> (Payroll information is unaudited)	<b>2017-2018</b>	<b>2018-2019</b>	<b>% Increase/ Decrease</b>
7380 Drivers	\$490,000	\$476,198	-3%
8868 School: Professional Employees	\$9,200,000	\$9,372,473	2%
9082 Cafeteria	\$220,000	\$207,088	-6%
9101 School: All Other (Maintenance)	\$510,000	\$499,881	-2%
<b>Total Payroll</b>	<b>\$10,420,000</b>	<b>\$10,555,640</b>	<b>1%</b>
<b>Experience Modification Factor</b>	<b>0.89</b>	<b>0.89</b>	
<b>Modified Premium</b>	<b>\$96,654</b>	<b>\$86,991</b>	<b>-10%</b>

<b>FIXED COSTS</b>	<b>2017-2018 Expiring</b>	<b>2018-2019 Proposed</b>
Workers' Compensation Premium	\$6,998	\$6,872
York Risk Services Claims Service Fee	\$3,513	\$3,001
AJGallagher Administration/Brokerage Fee	\$6,227	\$6,414
Associated Risk Managers of Illinois Local Agents' Fee	\$6,227	\$6,414
PSIC Management Operating Expense	\$604	\$637
Gallagher Bassett Loss Control Service Unit Days	(1 Day) \$1,000	(1 Day) \$1,000
<b>Total Fixed Costs</b>	<b>\$24,569</b>	<b>\$24,338</b>
<b>% of Increase/Decrease</b>		<b>-1%</b>

<b>VARIABLE COSTS</b>	<b>2017-2018 Expiring</b>	<b>2018-2019 Proposed</b>
Loss Fund – Workers Compensation	\$69,354	\$76,932
<b>Total Workers' Compensation Program Contribution</b>	<b>\$93,923</b>	<b>\$101,270</b>
<b>% of Increase/Decrease</b>		<b>8%</b>

<b>LOSS FUND</b>	<b>2017-2018</b>	<b>2018-2019</b>
Loss Fund – 100% (without Actuarial Debit/Credit)	\$61,441	\$64,742
Actuarial Debit/Credit	12.9%	18.8%
Loss Fund – 100% (with Actuarial Debit/Credit)	\$69,354	\$76,932

**\*Please note, the actuarial debit/credit system for the 2018/2019 renewal is based on 2017/2018 individual member annual contribution. This system is based on 5 years of incurred losses by member as well as 2018/2019 exposures by member.**

**PRAIRIE STATE INSURANCE COOPERATIVE**  
**2018-2019 PROPERTY/CASUALTY PROGRAM COST COMPARISON**

**District: North Boone Community Unit School District #200**

<b>FIXED COSTS</b>	<b>2017-2018 EXPIRING</b>	<b>2018-2019 PROPOSED</b>
Package premium - includes actuarial debit/credit in [ ] *	[18.9%] \$16,057	[-19.1%] \$10,667
Excess Property	\$10,792	\$10,565
Boiler & Machinery	\$1,700	\$1,725
Pollution Liability	\$1,442	\$1,428
Excess Liability (\$18,000,000 xs \$2,000,000)	\$3,049	\$2,978
Student Accident – Mandatory (\$25,000)	\$8,839	\$8,679
Student Accident – Catastrophic (\$5,000,000 xs \$25,000)	\$2,768	\$2,558
Cyber Liability/Identity Theft	\$2,598	\$3,292
AJ Gallagher Administration/Brokerage Fee	\$5,820	\$5,995
Associated Risk Managers of Illinois Local Agents' Fee	\$5,820	\$5,995
Gallagher Bassett Claims Administration Fee	\$598	\$612
Gallagher Bassett Loss Control Fee	\$1,010	\$1,008
PSIC Operating Expense Fee	\$523	\$560
<b>Total Fixed Costs</b>	<b>\$61,017</b>	<b>\$56,061</b>
<b>% of Change</b>		<b>-8%</b>

<b>VARIABLE COSTS</b>	<b>2017-2018 EXPIRING</b>	<b>2018-2019 PROPOSED</b>
Loss Fund– Package -includes actuarial debit/credit in [ ] *	[-8.2%] \$29,761	[-7.7%] \$32,082
<b>Total Program Contribution on a Maximum Cost Basis</b>	<b>\$90,778</b>	<b>\$88,143</b>
<b>% of Change</b>		<b>-3%</b>

<b>Statistical Information</b>	<b>2017-2018 EXPIRING</b>	<b>2018-2019 PROPOSED</b>	<b>% CHANGE</b>
Total Insurable Values (Includes Auto Physical Damage)	\$74,173,075	\$75,224,297	1%
Pre-K/Elementary/Junior Students	1,196	1,138	-5%
High School Students	545	512	-6%
Teachers	113	124	10%
Buses	30	30	0%
All Other Vehicles	7	7	0%

\*Please note, the actuarial debit/credit system for the 2018/2019 renewal is based on 2017/2018 individual member annual contribution. This system is based on 5 years of incurred losses by member as well as 2018/2019 exposures by member.