

ATTACHMENT NO. IX-N

ATTACHMENT NO. IX-N: Renewal of Workers Compensation Insurance and Property/Liability/Auto/Umbrella Insurance, and building appraisals

Suggested motion: Move to renew Prairie State Insurance Cooperative and Williams-Manny, Inc.

Recommended action: Approve the motion

It is recommended that the Board approve the renewal of workers compensation insurance as proposed by the Prairie State Insurance Cooperative and Williams-Manny, Inc. The cost of coverage would be approximately \$98,498, an increase of 8.5% over the prior year renewal amount of \$90,795.

It is recommended that the Board approve the renewal of property/liability/auto/umbrella insurance as provided by the Prairie State Insurance Cooperative. The renewal of 2013-2014 is \$86,825, which is a 5.30% decrease from the prior year renewal of \$91,682. This renewal also includes the Board legal liability and student accident insurance.

It is recommended that the Board approve building appraisals as per the Prairie State Insurance Cooperative by-laws - all members must have appraisals based on replacement costs and not market costs, and all appraisals must be from within the last seven years. The cost of the appraisals would be approximately \$350 per school and \$250 for the district office/bus garage and the maintenance shed. Total expense would be approximately \$2,600.

(Please note that the Treasurer's bond still needs to be underwritten and costs are based upon \$0.75 per \$1,000.)

PRAIRIE STATE INSURANCE COOPERATIVE
2013-2014 PROPERTY & CASUALTY PROGRAM COST COMPARISON

District: **North Boone CUSD #200**

Fixed Costs	2012-2013 EXPIRING	2013-2014 PROPOSED	
Self-Insured Package Premium (includes Property, General Liability, Garage Liability, Auto Liability and Physical Damage, Inland Marine, EDP and Crime)	\$11,961	\$11,790	
School Board Legal Liability	\$2,639	\$3,579	
Excess Property	\$10,995	\$11,181	
Boiler & Machinery	\$2,833	\$2,883	
Pollution Liability	\$1,098	\$1,098	
Excess Liability	\$6,325	\$6,594	
Student Accident (Mandatory and Catastrophic)	\$11,215	\$11,144	
PSIC Management Operating Expense	\$200	\$215	
AJ Gallagher Brokerage/Administrative Services	\$5,020	\$5,171	
Illinois ARM Service Fee	\$5,020	\$5,171	
Claims – Gallagher Bassett Services	\$654	\$612	
Loss Control – Gallagher Bassett Services	\$985	\$985	
Total Fixed Costs	\$58,945	\$60,423	
% of Increase/Decrease		3%	
Variable Costs	2012-2013 EXPIRING	2013-2014 PROPOSED	
Loss Fund – Package	\$32,737	\$26,402	
Total Program Contributions on a Maximum Cost Basis	\$91,682	\$86,825	Total Due for 2013-2014

PRAIRIE STATE INSURANCE COOPERATIVE
2013-2014 WORKERS' COMPENSATION PROGRAM COST COMPARISON

District: North Boone CUSD #200

PAYROLL INFORMATION (Payroll information is unaudited)	2012-2013	2013-2014
7380 Drivers	\$427,600	\$395,000
8868 School: Professional Employees	\$8,731,579	\$8,730,000
9082 Cafeteria	\$175,315	\$175,315
9101 School: All Other (Maintenance)	\$472,032	\$475,000
Total Payroll	\$9,806,526	\$9,775,315
Experience Modification Factor	0.89	0.89
Modified Premium	\$122,980	\$114,604

FIXED COSTS	2012-2013 EXPIRING	2013-2014 PROPOSED
Workers' Compensation Premium	\$7,994	\$7,621
Citizens Management Claims Handling Fee	\$2,702	\$3,450
Gallagher Brokerage/Administration Services	\$5,372	\$5,533
IL ARM Administration Services	\$5,372	\$5,533
PSIC Management Operating Expense	\$200	\$215
Gallagher Bassett Loss Control Service Unit Days	(1 Day) \$925	(1 Day) \$965
Total Fixed Costs	\$22,565	\$23,317
% of Increase/Decrease		-1%

VARIABLE COSTS	2012-2013 EXPIRING	2013-2014 PROPOSED
Loss Fund – Workers' Compensation	\$68,230	\$75,181
Total Workers' Compensation Program Contribution	\$90,795	\$98,498

LOSS FUND	2012-2013	2013-2014
Loss Fund – 100%	\$89,776	\$93,976
Less Funded Amount	\$68,230	\$75,181
= Auditable Loss Fund (based on payrolls listed above)	\$21,546	\$18,795

** This figure should be budgeted under your Tort Fund*