

ATTACHMENT NO. XI-H

ATTACHMENT NO. XI-H: 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 of Education approve the 2022-2023 renewal of workers compensation insurance as proposed by the Prairie State Insurance Cooperative, Inc. The cost for 2022-2023 worker’s compensation coverage will be \$89,459.75. This is a decrease of 1% from last year’s renewal of \$90,208.78.

It is also recommended that the Board of Education approve the 2022-2023 renewal of property / liability / auto / umbrella insurance as provided by the Prairie State Insurance Cooperative. The cost for 2022-2023 coverage would be \$174,333.54. This is a 16% increase from the 2021-2022 renewal of \$150,196.58. This renewal also includes the Board legal liability and student accident insurance.

Year	Property/Auto/Liability	Workman’s Comp	Total
2022-2023	\$174,333	\$89,459	\$263,793
2021-2022	\$150,196	\$90,209	\$240,405
2020-2021	\$117,039	\$90,465	\$207,504
2019-2020	\$88,378	\$89,697	\$178,075
2018-2019	\$88,143	\$101,270	\$189,413
2017-2018	\$90,778	\$93,923	\$184,701
2016-2017	\$91,909	\$86,539	\$178,448



2022-2023

**Prairie State Insurance Cooperative (PSIC)  
North Boone CUSD #200  
Member Cost Comparison**

Coverage Description	Additional Description	2021-2022	2022-2023	% Change
<b>Variable Cost (PC/WC Combined)</b>				
			Total Variable Costs %	44%
Variable Cost % above is your districts contribution into the programs Loss Fund. Depending on program performance, those contributions can be returned in the form of Member Equity or Surplus in future years.				

<b>Total PSIC Program Costs (*)</b>				
Property/Casualty Costs		\$150,196.58	\$174,333.54	16%
Worker's Compensation Costs		\$90,208.78	\$89,459.75	-1%
<b>Total PSIC Cost 2022-2023</b>		<b>\$240,405.36</b>	<b>\$263,793.29</b>	<b>10%</b>

(\*) Subject to individual district property exposure, student exposure, auto exposure and payrolls, if applicable

**Member Equity Summary**

Total PSIC Net Position for Property Casualty is:  
**\$5,093,598**  
 The net position is also known as the 'member equity' or 'surplus' of the program.

Total PSIC Net Position for Workers Compensation is:  
**\$9,555,483**  
 The net position is also known as the 'member equity' or 'surplus' of the program.

In December of 2021, the PSIC Workers Compensation program returned **\$1,634,098** to the participating members, in the form of a loyalty return, from the 2012/2013 & 2013/2014 policy years.

The net positions displayed above for both PSIC programs show potential future equity that your district may be entitled to receive in the form of a loyalty return.



**Prairie State Insurance Cooperative (PSIC)  
North Boone CUSD #200  
Member Cost Comparison**

Coverage Description	Additional Description	2021-2022	2022-2023	% Change
<b>Fixed Costs:</b>				
Worker's Compensation Premium		\$9,223.00	\$8,372.43	
CRS Claims Administration Fee (WC)		\$3,470.33	\$3,718.39	
Administration/Brokerage Service Fee (WC)		\$6,974.73	\$7,183.97	
Local Agents' Fee (WC)		\$6,974.73	\$7,183.97	
Operating Expense Fee (WC)		N/A	N/A	
Loss Control Service Units		\$1,000.00	\$1,000.00	
Loss Control Service Unit Days		1 Day	1 Day	
<b>Total Fixed Cost</b>		<b>\$27,642.78</b>	<b>\$27,458.75</b>	<b>-1%</b>

<b>Variable Costs:</b>				
Loss Fund - Workers' Compensation	Funded amount (89.7% for 2022) includes actuarial debit/credit in [ ] (1)	\$62,566.00 [2.2%]	\$62,001.00 [0.0%]	
<b>Worker's Compensation Program Contribution</b>		<b>\$90,208.78</b>	<b>\$89,459.75</b>	<b>-1%</b>
Auditable Loss Fund (based on payrolls listed below)	This figure should be budgeted under your Tort Fund.	\$6,363.00	\$7,142.00	

<b>Payroll Information</b>				
Drivers		\$547,761	\$491,114	-10%
Professional Employees		\$10,368,588	\$10,921,115	5%
Cafeteria		\$251,776	\$220,826	-12%
All Other (Maintenance)		\$488,024	\$679,337	39%
<b>Total Payroll</b>		<b>\$11,656,149</b>	<b>\$12,312,392</b>	<b>6%</b>
<b>Experience Modification Factor (MOD)</b>		<b>0.97</b>	<b>1.18</b>	
<b>Modified Premium</b>		<b>\$91,543.87</b>	<b>\$113,271.90</b>	
<b>Worker's Compensation Program Contribution:</b>		<b>\$90,208.78</b>	<b>\$89,459.75</b>	<b>-1%</b>

(1) Please note, the actuarial debit/credit system for the 2022/2023 renewal is based on 2021/2022 individual member annual contribution. This system is based on 5 years of incurred losses by member as well as 2022/2023 exposures by member.



**Prairie State Insurance Cooperative (PSIC)**  
**North Boone CUSD #200**  
 Member Cost Comparison

Coverage Description	Additional Description	2021-2022	2022-2023	% Change
<b>Fixed Costs:</b>				
Package Policy	includes actuarial debit/credit in [ ] (1)	\$11,330.00 [0.0%]	\$14,507.04 [0.0%]	
Excess Property		\$32,010.01	\$37,967.03	
Boiler & Machinery		\$2,592.09	\$2,884.48	
Pollution Liability		\$1,752.31	\$1,996.51	
Excess Liability	(\$5,000,000 xs \$2,000,000)	\$6,441.50	\$7,790.33	
Student Accident - Mandatory	(\$25,000)	\$7,815.25	\$7,996.70	
Student Accident - Catastrophic	(\$6,000,000 xs \$25,000)	\$2,305.50	\$2,313.00	
Cyber Liability	(Expiring \$2,000,000) (Renewal \$2,000,000)	\$20,456.00	\$28,655.23	
Gallagher Crisis Protect		\$1,828.54	\$1,896.60	
Administration/Brokerage Service Fee		\$6,518.66	\$6,714.22	
Local Agents' Fee		\$6,518.66	\$6,714.22	
Claims Administration Fee		\$544.05	\$511.54	
Loss Control Fee		\$1,006.00	\$1,006.00	
Operating Expense Fee		N/A	N/A	
<b>Total Fixed Cost</b>		<b>\$101,118.58</b>	<b>\$120,952.91</b>	<b>20%</b>

<b>Variable Costs:</b>				
Loss Fund - Package	includes actuarial debit/credit in [ ] (1)	\$49,078.00 [0.0%]	\$53,380.63 [0.0%]	
<b>P&amp;C Contribution on a Maximum Cost Basis</b>		<b>\$150,196.58</b>	<b>\$174,333.54</b>	<b>16%</b>

<b>Statistical Information</b>				
Total Insured Values	includes APD	\$83,548,582	\$90,227,766	8%
Pre-K/Elementary/Junior Students		1,076	1,040	-3%
High School Students		461	502	9%
Teachers		150	150	0%
All Other Vehicles		7	7	0%
Buses		29	29	0%
<b>P&amp;C Contribution on a Maximum Cost Basis:</b>		<b>\$150,196.58</b>	<b>\$174,333.54</b>	<b>16%</b>

(1) Please note, the actuarial debit/credit system for the 2022/2023 renewal is based on 2021/2022 individual member annual contribution. This system is based on 5 years of incurred losses by member as well as 2022/2023 exposures by member.

There is no debit/credit applied for the 2022/2023 policy term.