



# City of Boise

## Resolution

### Exempt

Purchasing  
150 N Capitol Blvd  
Boise, ID 83702  
(208) 972-8531

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**TO:** Mayor and Council

**FROM:** Colin Millar, Purchasing

**NUMBER:** RES-449-19

**DATE:** September 11, 2019

**SUBJECT:** EX 20-022; Excess Workers' Compensation Insurance Policy; HR; Midwest; NTE \$205,213

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#### **BACKGROUND:**

This request is for excess workers' compensation insurance policy renewal. This purchase is warranted because the majority of the City's insurance policies expire at 12:01 a.m. on October 1. Failure to renew insurance policies would leave the City's taxpayers at risk for losses incurred as a result of City employee injuries.

The consultant for this project is PayneWest Insurance. Among PayneWest Insurance's assignments is researching the insurance marketplace and providing the City with recommendations as to which insurance companies are best suited to the City's needs specifically for excess workers' compensation insurance.

#### **PROPOSAL RESULTS:**

Insurance is exempt from the competitive bidding process per Idaho Code Section 67-2803(6) and the City's Business Operations Manual at B8.04b, section II-E.

PayneWest Insurance surveyed the market place and the excess workers' compensation insurance proposals were evaluated according to cost and breadth of coverage. Since the city is a municipality, along with having a smaller premium, excess insurance companies willing to write the city's policy are limited. Currently, the city has a self-insured retention (SIR) of \$500,000 across general employee job codes, a SIR of \$750,000 for police officers and fire fighters, and insurance limits of WC- Statutory and Employers Liability of \$2,000,000.

PayneWest requested quotes from two companies, Safety National Casualty Company and Midwest Employers Casualty Company. Midwest offered quotes for a split SIR of \$500K/\$1M, \$750K/\$1M, or a flat SIR of \$1M for all employees. The first amount is the SIR for general employees and the second amount is the SIR specific to police officers and fire fighters. Safety National declined to quote this year. Please see the table below for the quotes with the SIR and

CITY OF BOISE

corresponding insurance premium.

<b>Retention Options</b>	<b>Retention Options</b>		
<b>All Other Employees</b>	<b>-Police and Fire</b>	<b>Premium</b>	<b>Insurance Provider</b>
\$500,000	\$1,000,000	\$198,613	Midwest
\$750,000	\$1,000,000	\$184,009	Midwest
\$1,000,000	\$1,000,000	\$175,364	Midwest
N/A	N/A	declined to quote	Safety National

The broker, PayneWest Insurance, has recommended continuing coverage with Midwest and going with the split retention of \$500,000 for general employees and \$1,000,000 for police officers and fire fighters to reflect the city’s current appetite for risk and pricing considerations.

PayneWest Insurance’s executive summary is attached as document Attachment A.

**RECOMMENDATION:**

Human Resources Risk and Safety Division recommends that insurance coverage be bound as follows:

<b>Proposer</b>	<b>Coverage</b>	<b>Premium</b>
Midwest Employers	Excess Workers Compensation	\$198,613.00
Casualty Company	split SIR \$500,000/\$1,000,000	
PayneWest Insurance	Broker Fee	\$6,600.00
<b>Total Base Premium</b>		<b>\$205,213.00</b>

Choosing the lower split SIR option of \$500,000 for general employees will help mitigate city exposures to extreme workers’ compensation claim costs and help reduce budget volatility. The city’s SIR for police officers and fire fighters will be raised to \$1M as no quotes were offered to maintain the current SIR of \$750,000. Midwest has been the excess carrier for the city for the past several years, and the city has enjoyed Midwest’s excellent customer service, along with competitive pricing.

**FINANCIAL IMPACT:**

Department has confirmed sufficient funding is available for this obligation.

**ATTACHMENTS:**

- EX 20-022 Attachment A FY20 Agreement (PDF)

CITY OF BOISE

Resolution NO. RES-449-19

BY THE COUNCIL

CLEGG, LUDWIG, MCLEAN, SANCHEZ,  
THOMSON AND WOODINGS

**A RESOLUTION APPROVING PROCUREMENT OF THE 10/1/2019-2020 POLICY YEAR PROGRAM FOR EX 20-022 EXCESS WORKERS' COMPENSATION INSURANCE POLICY BETWEEN THE CITY OF BOISE CITY (HUMAN RESOURCES DEPARTMENT) AND MIDWEST EMPLOYERS CASUALTY COMPANY THROUGH BROKER PAYNEWEST INSURANCE AND AUTHORIZING THE CITY'S RISK MANAGER TO BIND THE COVERAGE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Finance and Administration and Human Resources Department staff recommend procurement of the insurance program recommended for the City of Boise by broker PayneWest Insurance for the 10/1/2019-2020 policy year and seek authorization for the City's Risk Manager to bind EX 20-022; Excess Workers' Compensation Insurance Policy, to Midwest Employers Casualty Company through broker PayneWest Insurance in an amount not to exceed \$205,213.00.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE CITY, IDAHO:**

**Section 1.** That the City of Boise's Risk Manager is hereby authorized to bind with Midwest Employers Casualty Company through broker PayneWest Insurance, for the procurement of Excess Workers Compensation insurance coverage in an amount not to exceed \$205,213.00 as recommended by PayneWest Insurance for the 10/1/2019-2020 policy year.

**Section 2.** That the Resolution shall be in full force and effect immediately upon its adoption and approval

CITY OF BOISE

ADOPTED by the Council of Boise City, Idaho, on September 17, 2019.

APPROVED by the Mayor of the Boise City, Idaho, on September 17, 2019.

APPROVED:

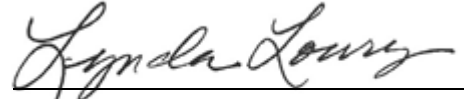


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David H. Bieter, Mayor



ATTEST:



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Lynda Lowry, Ex-Officio City Clerk