

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer
FROM: Bert Palmer, Risk Manager
DATE: May 27, 2011
SUBJECT: Workers' Compensation Specific Excess Insurance
Renewal: 07/01/2011

Background:

The expiring policy with *Midwest Employers Casualty Company* was a two (2) year rate guarantee that covered the period 07/01/2009 through 06/30/2011. The expiring rate per \$100 of ratable payroll is \$0.045900. The policy has a self-insured retention of \$750,000 per claim and a specific limit of \$25,000,000 per claim. The employer liability limit is \$2,000,000. The gross deposit premium for the current policy year before adjustments [subject to year end payroll audit] was \$119,080.

Renewal:

Our insurance broker obtained quotes from the incumbent carrier and four (4) other carriers. The best terms were offered by Star Insurance Company (subsidiary of Meadowbrook Insurance Group). Star Insurance Company has agreed to the same policy terms and conditions as the expiring program. The quoted rate per \$100 of ratable payroll is \$0.035000. They have agreed to guarantee the rate for two (2) years [7/01/11 through 6/30/13].

Recommendation:

The rate quoted by Star Insurance Company is a 23.7% decrease from the expiring program. The deposit premium will be \$89,285, assuming a ratable payroll of \$255,101,172.

If you have any questions, please let me know.

Attachment