## THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

#### FINANCIAL SERVICES DEPARTMENT

## M\_E\_M\_O\_R\_A\_N\_D\_U\_M

- TO: Al Weidner, Deputy Chief Financial Officer
- FROM: Bert Palmer, Risk Manager

DATE: May 7, 2007

SUBJECT: WORKERS' COMPENSATION SPECIFIC EXCESS INSURANCE Renewal: 07/01/2007

Our expiring policy with *Midwest Employers Casualty Company* (**MECC**) was a one (1) year rate guarantee that covered the period 07/01/2006 through 06/30/2007. The expiring rate per \$100 of payroll is \$0.0587. The policy has a specific 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 deposit premium [subject to year end payroll audit] was \$147,547.00.

We received a quote from **MECC** [incumbent] and Safety National Casualty Company [**SNCC**]. The broker approached several other carriers to solicit quotations. The carriers were ACE American [not competitive & incomplete], **ARCH**, AIG [declined to quote]. The most competitive quotes were from **MECC**, **SNCC** and **ARCH**.

The expiring and renewal quote comparison is based upon the same policy limits as the expiring policy, and an <u>estimated payroll of \$291,268,963</u> [for calculating renewal deposit]. The comparison is as follows:

Carrier	Rate Per \$100 Expiring [Incumbent]	Rate Per \$100 Renewal	% Change +/-
MECC	0.0587	0.0498	- 15.16%
ARCH	0.0587	0.0503	- 14.33%
SNCC	0.0587	0.0521	- 11.24%

Carrier	Expiring Deposit Premium [Incumbent]	Renewal Deposit Premium	% Change +/-
MECC	\$147,547	\$145,052	- 1.72%
ARCH	\$147,547	\$146,467	- 0.73%
SNCC	\$147,547	\$151,751	+ 2.85%

The renewal quote from MECC is guaranteed for a two-year (24 months) policy period. All of the other carrier quotes are for one year (12 months) only.

**<u>Recommended</u>**: Renew with *Midwest Employers Casualty Company* (**MECC**), with a per claim limit of \$25,000,000 and a SIR of \$750,000. The rate per \$100 of payroll is 15.16% lower than the expiring program and lower than all the other quotes. **MECC** is the only carrier that would guarantee its rate for two years.

If you have any questions, please let me know.

#### Attachment



# SCHOOL BOARD OF SARASOTA COUNTY EXCESS WORKERS' COMPENSATION QUOTE

May 7, 2007

		Current Program*	Option 1	ARCH	Safety	Option 2	Option 3	Option 4	Safety	Option 5	Safety
Annual Total											
Payroll		\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963	\$291,268,963
Policy Term		1 year	2 years	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Specific Retention		\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$600,000	\$600,000	\$600,000	\$600,000
Specific Limit	W.C. E.L.	\$25,000,000 \$2,000,000	\$25,000,000 \$2,000,000	\$25,000,000 \$1,000,000	\$25,000,000 \$1,000,000	Statutory \$1,000,000	Statutory \$2,000,000	\$25,000,000 \$2,000,000	\$25,000,000 \$1,000,000	Statutory \$2,000,000	Statutory \$2,000,000
Rate (per \$100 of Payroll)		0.058700	0.049800	0.0502857	0.0521000	0.054600	0.058400	0.067300	0.076900	0.077400	0.079400
Annual Policy Premium		\$170,975	\$145,052	\$146,467	\$151,751	\$159,033	\$170,101	\$196,024	\$223,986	\$225,442	\$231,268
Total Policy Premium		\$170,975	\$290,104	\$146,467	\$1,517,451	\$159,033	\$170,101	\$196,024	\$223,986	\$225,442	\$231,268
Minimum Premium		\$170,975	\$261,093	\$146,467	\$151,751	\$159,033	\$153,091	\$176,422	\$223,986	\$202,898	\$231,268
		Midwest Employers Casualty	Midwest Employers Casualty	ARCH Insurance	Safety National Casualty	Safety National Casualty	Midwest Employers Casualty	Midwest Employers Casualty	Safety National Casualty	Midwest Employers Casualty	Safety National Casualty
Carrier		Company	Company	Company	Company	Company	Company	Company	Company	Company	Company
Carrier's A.M. Best Rating		А	А	А	А	А	А	А	А	А	А