

Memorandum



CITY OF DALLAS

DATE January 2, 2015

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Excess Workers' Compensation Insurance Policy Renewal

The January 28, 2015 Council Agenda will include an item for your consideration to exercise the second of two one-year renewal options for excess workers' compensation insurance with Texas Municipal League Intergovernmental Risk Pool (TMLIRP), not to exceed \$500,000. TMLIRP's executive board will approve the renewal of the policy on January 23, 2015.

Excess workers' compensation insurance limits the City's financial exposure on employee injury claims. Excess workers' compensation insurance is purchased for compensable claims that exceed an established threshold. The policy will provide benefits such as disability, death, medical, etc. to employees that have suffered an injury or illness during the course and scope of their job.

On January 22, 2014, the City Council authorized the first of two one-year renewal options for excess workers' compensation insurance with TMLIRP, not to exceed \$425,000. On December 4, 2014, TML notified the City of a rerate for the period of February 1, 2015 to February 1, 2016 as a result of the City's loss experience since joining the Pool's Excess Workers' Compensation program. The Office of Risk Management consulted the City's broker and was advised the proposed rate is a competitive offer. Therefore, it is recommended the City exercise the second renewal option with Texas Municipal League Intergovernmental Risk Pool for excess workers' compensation coverage to be effective February 1, 2015 through January 31, 2016. The City will pay the first \$1,500,000 for each injury and an additional \$1,000,000 corridor deductible.

Please let me know if you need additional information.


Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Forest E. Turner, Chief Wellness Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager