

# Memorandum



DATE February 28, 2013

TO Members of the Budget, Finance & Audit Committee:  
Jerry R. Allen (Chair), Tennell Atkins, Deputy Mayor Pro Tem (Vice-Chair), Monica R. Alonzo,  
Scott Griggs, Ann Margolin

SUBJECT Excess Workers' Compensation Insurance

The January 23, 2013 Council Agenda included an item to enter into an Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TML) for one-year, with two one-year renewal options, for Excess Workers' Compensation Insurance, not to exceed \$425,000, pending TML's Executive Board approval. TML's Executive Board approved the recommendation with a \$20,000,000 limit, per policy year.

The City purchases excess workers' compensation insurance for catastrophic injuries to employees. On September 22, 2010, the City Council authorized the purchase of a thirty-six month insurance policy for Excess Workers' Compensation with Star National Insurance Company through McGriff, Seibels & Williams of Texas, Inc., not to exceed \$1,215,000. The approved policy period was through October 31, 2013; however, Star submitted substantial material changes to its re-insurance program requiring increases in premiums and retentions on all accounts which resulted in the City having to solicit bids.

Through a Request for Competitive Sealed Proposal (RFCSP) process, TML was selected as the most responsive, of two vendors, to provide the City with excess coverage.



Mary K. Sum  
City Manager

## Attachment

C: Honorable Mayor & Members of the City Council  
Rosa A. Rios, City Secretary  
Tom P. Perkins, City Attorney  
Craig D. Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A. C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Michael Frosch, Director, Business Development and Procurement Services