

Board Action Request

SUBJECT: FY 21/22 Workers' Compensation Insurance

DATE: April 28, 2021

FROM: Cheryl Horvath, Fire Chief

Background:

Tubac Fire District staff is in the process of assessing Workers Compensation (WC) insurance policies for FY 20/21. The current WC carrier for the District is 7710 Insurance with an annual premium of \$77,939.

As the board is aware, the state of Arizona legislature expanded presumptive cancer legislation (S1451) which may potentially impact workers' compensation costs for fire districts and fire departments in Arizona. Research indicates firefighters are at increased risk for developing certain cancers given their exposure to cancer-causing carcinogens through either inhalation to skin absorption. This new legislation was signed by the Governor and goes into effect 60 days after the legislature adjourns session.

Two options may be available to Tubac Fire District.

- Option 1 - Remain with the current provider, 7710 Insurance Company. TFD has not received a quote yet from 7710.
- Option 2 - Switch to Securis (formerly the Arizona Fire District Workers' Compensation Pool), with an annual premium of \$71,128, and a capitalization cost of \$42,677 or \$10,669 paid annually for the next four years.

Representatives from Ashton Tiffany will present the Securis Risk Pool along with projected premium and capitalization costs for FY 21/22.

Fiscal Impact:

To be determined

Alternate Option:

Provide staff with additional direction

Legal Review: N/A

Staff Recommendation:

N/A

Proposed Motion: N/A

See Attachments:

- Securis Tubac Fire District Proposal
- Securis Sample FD Board Resolution
- Securis Participation Agreement
- Securis Insurance Pool Bylaws