

Board Action Request

SUBJECT: FY 20/21 Workers' Compensation Insurance

DATE: May 27, 2020

FROM: Cheryl Horvath, Fire Chief

Background:

Staff presented the fire board with two possible options for Workers' Compensation for the FY 20/21 fiscal year. Option one is to stay with the current provider, 7710 Insurance Company, with an annual premium of \$77,939, which is a \$35,360 decrease from last year's premium. Option two is to switch to a new Workers' Compensation risk pool, the Arizona Fire District Workers' Compensation Pool, with an annual premium of \$98,818, and a capitalization cost of \$14,823 annually for the next four years.

Staff reviewed the two proposals with James Vincent Group and we are recommending that the fire district remain with 7710 Insurance Company for another year.

Drew Newton with Mahoney Group will be available at the meeting to answer additional questions.

Fiscal Impact:

The renewal rate is \$77,939 and is included in the FY 2020/21 budget request.

Alternate Option:

Provide staff with additional direction

Legal Review: None required

Staff Recommendation:

Approve the renewal of the Workers' Compensation insurance with 7710 Insurance Company.

Proposed Motion:

Move to approve the annual renewal of Worker's Compensation insurance with 7710 Insurance Company in the amount of \$77,939.

See Attachments:

- Tubac Fire District 2020 Quote
- WC Rate & Premium Comparison – 2020 v 2019
- Arizona letter – 7710

- 7710 Insurance Presentation for TFD (ppt)