

**VILLAGE OF DOWNERS GROVE  
REPORT FOR THE VILLAGE COUNCIL WORKSHOP  
FEBRUARY 15, 2011 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Payment of additional premium for Excess Workers Compensation for Policy Year 5/1/2009 to 4/30/2010	Resolution Ordinance ✓ Motion Discussion Only	Wesley Morgan Human Resources Director

**SYNOPSIS**

A motion is requested to pay additional premium to Safety National Insurance in the amount of \$24,022 above the deposit premium of \$93,888 for policy period of 5/1/2009 through 4/30/2010.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 include *Steward of Financial and Environmental Sustainability*.

**FISCAL IMPACT**

The FY11 budget includes \$425,500 in the Risk Fund for insurance premiums.

**RECOMMENDATION**

Approval on the February 15, 2011 consent agenda

**BACKGROUND**

The Village purchases Excess Workers Compensation Insurance through Safety National Insurance. The policy premium is paid in advance based on an estimate of the total wages to be paid for the policy year. On April 20, 2009, the Village Council approved the deposit premium of \$93,888 for the policy period of 5/1/2009 through 4/30/2010. Safety National conducted an audit of total compensation and determined that an additional premium payment is required. As a result, Safety National is invoicing the Village for an additional premium of \$24,022 for the policy year.



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## Physical Premium Audit Results

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### Village of Downers Grove, Illinois

Policy#: AGC-2Y51-IL  
 Liability Period: 05/01/09-11  
 Audit Period: 05/01/09-10

Code	Payroll	Rate	Premium
0106	\$0	24.69	\$0
4299	\$0	4.87	\$0
5506	\$1,103,331	16.44	\$181,388
5606	\$249,572	4.44	\$11,081
7382	\$91,277	5.41	\$4,938
7520	\$566,748	7.42	\$42,053
7610	\$101,396	0.94	\$953
7710	\$6,953,284	16.30	\$1,133,385
7720	\$7,144,883	2.88	\$205,773
8380	\$372,729	5.34	\$19,904
8601	\$0	1.20	\$0
8720	\$46,490	2.92	\$1,358
8810	\$6,220,518	0.34	\$21,150
8820	\$270,765	0.28	\$758
9015	\$295,296	4.65	\$13,731
9102	\$211,182	4.02	\$8,490
9410	\$1,606,693	5.54	\$89,011
	<u>\$25,234,164</u>		<u>\$1,733,971</u>

Total Manual Premium:	\$1,733,971
Experience Modification:	1.00
Total Standard Premium:	\$1,733,971
Premium Rate:	6.80%
Earned Premium:	\$117,910
Minimum Premium:	\$87,500
Deposit Premium:	\$93,888
<b>Additional/(Return) Premium Due:</b>	<u>\$24,022</u>

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