



4800 Ashford Dunwoody Road
 Dunwoody, Georgia 30338
 dunwoodyga.gov | 678.382.6700

To: Mayor and City Council

From: Nicole Stojka, Human Resources Director

Date: November 30, 2020

Subject: Approval of Budget Amendment for 2021 Workers' Compensation Coverage

ITEM DESCRIPTION

Approval to budget for the City to transition to Georgia Municipal Association for workers' compensation coverage for the 2021 policy year

BACKGROUND

The City has partnered with our workers' compensation broker to market our workers' compensation coverage. Key Risk Insurance declined to quote due to losses and lack of employee classification variety. BitCo Insurance declined to quote due to losses. Travelers Insurance and Georgia Municipal Association both provided quotes, which are included in the Council agenda packet.

EVALUATION

The City has been insured by Travelers Insurance for workers' compensation coverage since 2018, and we have had numerous issues, including claims management issues. Many of our employees who have had workers' compensation claims have had complaints about how their claims have been handled by Travelers. It has created a negative employee experience, and it requires excessive City staff time to attempt to resolve issues and concerns related to Travelers claims management.

The City's workers' compensation insurance coverage was with Georgia Municipal Association from 2013 to 2016. The City did not have the claims management issues that we have had with Travelers. The City transitioned away from Georgia Municipal Association for decreased premiums, but the service level provided to the City has not been the same.

In addition, if we transition back to Georgia Municipal Association, it allows us access at no cost to Elarbee Thompson's hotline. While this does not cover litigation, it does allow us to call the hotline for free general employment law guidance.

FISCAL IMPACT

The approved 2021 budget has \$227,489 budgeted for workers' compensation coverage. The Georgia Municipal Association premium for 2021 is \$294,853. If Council grants approval for coverage to be provided by Georgia Municipal Association, the difference of \$67,364 will be addressed through a budget amendment.



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RECOMMENDED ACTION

It is respectfully requested that Council approve Staff's recommendation to budget for the City to transition to Georgia Municipal Association for workers' compensation coverage for the 2021 policy year.

Lynn Deutsch Mayor
Eric Linton, ICMA-CM City Manager
Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1
Jim Riticher City Council Post 2
Tom Lambert City Council Post 3

Stacey Harris City Council Post 4
Joe Seconder City Council Post 5
John Heneghan City Council Post 6

Packet page:...



Partners Risk Services, LLC

**Insurance Proposals
Prepared for:**

City of Dunwoody

***01/01/2021 - 01/01/2022
Workers Compensation***

Presented by:

*Joseph L. Thompson, Principal/Owner
Partners Risk Services, LLC
10692 Medlock Bridge Road Suite 200
Johns Creek, GA 30097
Phone: (770)609-2700
Fax: (770)609-2749
Email: info@partnersrs.com*

About Us

Partners Risk Services specializes in auto insurance, home insurance, business insurance, risk management consulting, life insurance, and employee benefits.

Partners with our clients

Our mission is to be Partners with our clients. We want to be their trusted Risk Management and Insurance Consultant; not just a better vendor.

Partners with our employees

We want to recruit and retain the most highly skilled group of business Partners in our industry. Every employee is a stakeholder in the success of our firm. We will honor exceptional performance and reward those who earn it.

Partners with our service providers

We will be discerning and align with the best Service Partners in their respective industry. We will strive to continually develop mutually beneficial and long-term relationships between our clients, providers, and firm.

Partners with the communities we serve

We will encourage all of our Partners to practice servitude, leadership, and give of their time and financial resources to the communities we serve.

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Agency Personnel/Service Team

Joseph L. Thompson
Account Executive
Phone: (770)609-2701
Email: jthompson@partnersrs.com

Emily M. Ball
Account Manager
Phone: (770)609-2702
Email: eball@partnersrs.com

Please send all Certificate of Insurance requests to:
Email: coi@partnersrs.com

Workers Compensation

Option 1: Travelers Insurance Company

Insurance Carrier: The Travelers Indemnity Company
AM Best Rating: A++ (Superior)
Financial Size: XV (\$2 Billion or greater)
Policy Term: 1/1/2021 to 1/1/2022

Coverage Description/Limits

Coverage	Employer's Liability
Employer's Liability - Each Accident	\$1,000,000
Employer's Liability - Disease-Policy Limit	\$1,000,000
Employer's Liability - Disease-Each Employee	\$1,000,000
Deductible	\$2,500
Deductible Type	Dollars per claim
2021 NCCI Experience Modification Rate	1.60

Workers Compensation Rating Basis

State	Code	Classification	2020 Estimated Payroll	2021 Estimated Payroll	Travelers 2020 Net Rate	Travelers 2021 Net Rate
GA	7720	Police Officers & drivers	\$4,364,260	\$4,481,909	\$3.47	\$4.50
GA	8810	Clerical Office Employees	\$1,491,653	\$1,504,957	\$0.17	\$0.21
GA	8742	City Administrator	\$793,058	\$1,073,732	\$0.38	\$0.40
		Total	\$6,648,971	\$7,060,598		

2021 volunteer projections

Travelers includes coverage for volunteers *by endorsement*; no payroll calculation for volunteers as other insurance carriers have done in the past.

	Bailiffs	Citizens Patrol Officers
Number of volunteers	11	18
Total hours projected for 2021	1,159	1,872

Workers Compensation Annual Premium: \$208,465.00 Inclusive of PRS Broker Commissions
 Broker Placement Fee: \$9,381.00 Broker fee for Apex Insurance Services

Total Due on 1/1/2021: \$217,846.00

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Workers Compensation

Option 2: Georgia Municipal Association

Insurance Carrier: Georgia Municipal Association
AM Best Rating: Unrated
Policy Term: 1/1/2021 to 1/1/2022

Coverage Description/Limits

Coverage	Employer's Liability
Employer's Liability - Each Accident	\$1,000,000
Employer's Liability - Disease-Policy Limit	\$1,000,000
Employer's Liability - Disease-Each Employee	\$1,000,000
Deductible	\$2,500
Deductible Type	Dollars per claim
2021 GMA Experience Modification Rate	1.36

Workers Compensation Rating Basis

State	Code	Classification	2021 Estimated Payroll	GMA 2021 Net Rate
GA	7720	Police Officers & drivers	\$4,581,281	\$5.93
GA	8810	Clerical Office Employees	\$1,504,957	\$0.40
GA	8742	City Administrator	\$1,073,732	\$0.67
		Total	\$7,096,970	

2021 volunteer projections

GMA includes coverage for volunteers by including the volunteer hours in the 7720 classification as listed above.

	Bailiffs	Citizens Patrol Officers
Number of volunteers	11	18
Total hours projected for 2021	1,159	1,872

Workers Compensation Annual Premium: \$280,813.00 Net of any broker commissions
 Broker Placement Fee: \$14,040.00

Total Due on 1/1/2021: \$294,853.00

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Workers Compensation

Premium Vs. Claim History (as of 09/15/2020)

Policy Year	Annual Premium	Claim Incurred	Loss Ratio	Open Reserve	Number of Claims
2020-2021	\$157,594	\$36,875	23%	25,290.78	17
2019-2020	\$132,581	\$372,663	281%	\$221,386.46	26
2018-2019	\$103,178	\$467,822	453%	\$206,366.02	17
2017-2018	\$92,522	\$138,043	149%	\$0.00	
Total	\$485,875	\$1,015,403	209%		

Market Response

Insurance Carrier	Response
Travelers Insurance	Quoted
Georgia Municipal Association	Quoted
Key Risk Insurance	Declined due to losses and lack of employee classification variety
BitCo Insurance	Declined due to losses

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Authorization to Bind Coverage

I authorize the binding of the specific insurance coverage listed in this insurance proposal and also agree to remit premiums as invoiced by the insurance carrier or Partners Risk Services , LLC.

Such coverage shall be placed into effect January 1, 2021.

_____ Bind coverage with payment plan.

_____ Bind coverage with the following changes:

Please bind the above coverage as quoted for the 2021-2022 policy year.

Named Insured: City of Dunwoody

Title: _____

Signature: _____

Date: _____

This presentation is designed to give you an overview of the insurance coverages we are offering for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions and exclusions.

RESOLUTION 2020-11-XX

A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR 2021 FOR THE GENERAL FUND OF THE CITY OF DUNWOODY, GEORGIA, PURSUANT TO ARTICLE V, SECTION 5 OF THE CHARTER OF THE CITY, BEGINNING JANUARY 1, 2021, AND ENDING DECEMBER 31, 2021, APPROPRIATING THE AMOUNTS SHOWN IN EACH BUDGET AS EXPENDITURES, ADOPTING THE ITEM OF ANTICIPATED FUNDING SOURCES, PROHIBITING EXPENDITURES TO EXCEED APPROPRIATIONS, AND PROHIBITING EXPENDITURES FROM EXCEEDING ACTUAL FUNDING SOURCES

WHEREAS, a proposed amended budget for the general fund of the City has been presented to the Mayor and City Council; and

WHEREAS, the Mayor and City Council have reviewed the proposed amendment; and

WHEREAS, the fund has a balanced budget, such that anticipated funding sources equal or exceed proposed expenditures; and

WHEREAS, This Budget Amendment and the Budget Message pursuant to Section 5.03(a) of the City Charter have been filed in the office of the City Clerk and open for public inspection; and

WHEREAS, the Mayor and City Council intend to amend the annual budget for the Fiscal Year 2021.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dunwoody, pursuant to their authority, as follows:

Section 1. That the City of Dunwoody, Georgia hereby amends the budget for the Fiscal Year 2021, said budget amendments being described below in Exhibit A;

Section 2. That any increase or decrease in appropriations of the general fund or for any department; other than those exceptions provided for herein, shall require approval of the City Council; and

Section 3. That the City Manager and his/her designee may promulgate all necessary internal rules, regulations, and policies to ensure that this Budget Resolution is followed.

**SO RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DUNWOODY,
GEORGIA** this the 30th day of November, 2020.

Approved:

Lynn P. Deutsch, Mayor

Attest:

Sharon Lowery, City Clerk
Seal

Approved as to Form and Content

City Attorney

City of Dunwoody
Fiscal Year 2021 Budget Amendment - General Fund

EXHIBIT A

FUND	Department	Account	Account Name	Proposed Budget Change
SOURCE - Revenue				
General Fund	General Fund		Use of Prior Year Reserve	(\$67,364)
	Total Source			(\$67,364)
USE - Expenditure				
General Fund	1110 - City Council	512700.00	Workers Compensation	\$37
General Fund	1320 - City Manager	512700.00	Workers Compensation	\$304
General Fund	1330 - City Clerk	512700.00	Workers Compensation	\$50
General Fund	1511 - Finance and Admin	512700.00	Workers Compensation	\$141
General Fund	1540 - Human Resources	512700.00	Workers Compensation	\$77
General Fund	1570 - Communications	512700.00	Workers Compensation	\$67
General Fund	2650 - Courts	512700.00	Workers Compensation	\$88
General Fund	3200 - Police	512700.00	Workers Compensation	\$66,149
General Fund	4200 - Highways & Streets	512700.00	Workers Compensation	\$130
General Fund	6200 - Parks and Recreation	512700.00	Workers Compensation	\$106
General Fund	7000 - Community Development	512700.00	Workers Compensation	\$53
General Fund	7500 - Economic Development	512700.00	Workers Compensation	\$162
	Total Expenditures			\$67,364