

STAFF REPORT
City of Lancaster, California

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07/10/07
RSL

Date: July 10, 2007

To: Mayor Hearn and City Council Members

From: Beverly Glode, Human Resources & Risk Management Director

Subject: Renewal of the City's Workers Compensation coverage with County Supervisors Association of California Excess Insurance Authority/California Public Entities Insurance Authority (CSAC/CPEIA).

Recommendation:

Adopt Resolution 07-141, authorizing the renewal of the CSAC/CPEIA Workers Compensation Program for a one year term beginning July 1, 2007

Fiscal Impact:

The premium for the Worker's Compensation coverage is \$674,119.00. This amount is covered within the fiscal year 2007/08 adopted budget.

Background:

The City of Lancaster has self insured its workers compensation coverage for the past three years as a member of CSAC/CPEIA. CSAC/CPEIA is the largest insurance pool program for public entities in the United States. Of the 58 California counties, all but four are members of CSAC/CPEIA. Members of CSAC/CPEIA do not pay insurance premiums. Instead, each member makes a contribution to the pool based on the size of its payroll, loss experience and specific loss exposures.

Several other insurance pools and primary insurers were asked to provide quotes for the City's Workers Compensation coverage. None were as competitive as CSAC/CPEIA whose renewal rate is 9.0% below current costs.