



ISESC Risk Management Program Workers' Compensation Proposal

Account Name: **Tipton Community School Corporation**
 Proposed Eff Date: **1/1/2021**

		<u>Annualized</u>		
		<u>Expected</u>	<u>Best Case</u>	<u>Worst Case</u>
<u>Program Administration Cost</u>				
Administration Fee		2,803	2,803	2,803
Loss Prevention		1,019	1,019	1,019
Claims Administration		2,094	2,094	2,094
Specific Reinsurance		9,009	9,009	9,009
Accounting, Reports, Legal		2,039	2,039	2,039
Independent Agent Fee		2,548	2,548	2,548
Aggregate Reinsurance		586	586	586
Projected Aggregate Deductible		5,097	5,097	5,097
Service Center Fee		-	-	-
Total Administration Costs		25,194	25,194	25,194
Expected Annual Losses	*	28,534	3,878	58,611
Estimated Annual Costs		53,729	29,072	83,805

<u>Payment Options</u>		<u>Due Date</u>	
<u>Option #1</u>	One Time Up Front Payment	effective date	53,729
<u>Option #2</u>	Down Payment	effective date	25,194
	Loss Fund	90 days	9,511
	Loss Fund	90 days	9,511
	Loss Fund	90 days	9,511
	Total Payments		53,729
<u>Option #3</u>	Down Payment		25,194
Monthly Invoice for prior month payments due within 30 days of receipt.			

* Final annual program cost will be determined based on actual paid losses. Maximum Losses are capped at 125% of audited NCCI manual premium 63,707

Maximum Program Cost if maximum loss paid 83,805

125% aggregate based on calendar year manual premium. If actual member effective date is different amounts will be pro rated to each calendar year.

2 year commitment is required to join the ISESC program.

Final manual premium based in NCCI rates in force on effective date of policy. Rates are subject to change.

Reinsurance has been structured to provide protection over this amount for each program participant.

Specific Limit	STATUTORY
Employers Liability Limit	1,000,000
Specific Retention	400,000

Up to 10% of Manual Premium is placed in WC deductible fund to Prefund Aggregate excess policy deductible in the event one member or several members exceed 125% of their manual premium in losses.

Loss Prevention Costs are at \$105 per hour

Claims Administration

Per Claim Charge:	Lost Time	1,366
	Medical Only	182
	Report Only	25



Exceeding Expectations

Designated Agent : _____

Approved:

PARTICIPANT:

By : _____

Date: _____

CMI:

By : _____

Date: _____

Member: **Tipton Community School Corporation**

Cost Comparison to Prior Year

	<u>Policy Period</u>		<u>Variance</u>	
	<u>1/1/2021</u>	<u>1/1/2020</u>	<u>Variance \$</u>	<u>%</u>
<u>Program Administration Cost</u>				
Administration Fee	2,803	2,921	(117)	-4%
Loss Prevention	1,019	1,062	(43)	-4%
Claims Administration	2,094	2,028	66	3%
Specific Reinsurance	9,009	10,309	(1,300)	-13%
Accounting, Reports, Legal	2,039	2,124	(85)	-4%
Independent Agent Fee	2,548	2,655	(107)	-4%
Aggregate Reinsurance	586	622	(36)	-6%
Projected Aggregate Deductible	5,097	5,310	(214)	-4%
Total Administration Costs	25,194	27,030	(1,836)	-7%
Manual Premium	50,966	53,101	(2,135)	-4%
Payroll	8,910,709	8,808,054	102,655	1%
NCCI Class Code:				
7380	2.75	2.74	0.01	0%
8868	0.3	0.29	0.01	3%
9101	2.31	2.39	(0.08)	-3%
Midwest Rates:				
7380	2.67	2.65	0.02	1%
8868	0.29	0.27	0.02	7%
9101	2.33	2.58	(0.25)	-10%
Claim Costs:				
Indemnity- Lost Time	1,366	1,328	38	3%
Medical Only	182	175	7	4%
Report Only	25	25	-	0%