

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 8, 2012

Board Item: V-E-8

Ratification of Workers' Compensation Insurance Policy for 2012

Action by Consent

Action

Information

The Board's workers' compensation insurance policy with Travelers Insurance expired on February 1, 2012. This insurance was marketed by the Board's broker in 2011 and approved by the Board for a three year period with the option for two additional one-year extensions. This is the second year of the original period.

Renewal terms for the 2012/2013 workers' compensation program require \$405,529 for the annual premium plus \$892,000 in expected losses for 2012 for a total expected cost of \$1,297,529. Travelers Insurance also requires cash collateral of \$400,000 for the expected losses for the year. The collateral will be reimbursed upon completion of the contract.

The annual premium 2012/2013 increased by \$21,000 over last year however total expected costs actually decreased by \$182,000 due to the Board's favorable losses for 2011.

\$1,490,000 was budgeted for workers' compensation expense for 2012. The collateral was not budgeted as an expenditure because it will be reimbursed at a future date. The contract requires additional funds of \$207,000 to cover the collateral less unspent amounts from last year.

Recommendation:

It is recommended that the Board ratify the binder for the workers' compensation policy renewal and authorize the expenditure for \$1,697,000 for contract 13490A for 2012.

Approvals:

Respectfully submitted,



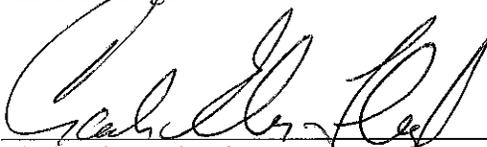
Angela Bricmont
Director of Finance



James S. Lochhead
CEO/Manager



Thomas Roode
Director of Operations & Maintenance



Carla Elam-Floyd
Director of Human Resources