



Melissa Keeley
Manager

MEMORANDUM

TO: Satpal Singh Sidhu, County Executive

FROM: Donnie LaPlante, Associate HR Manager 

RE: **Workers Compensation – Stop Loss Insurance Policy**

DATE: November 22, 2023

Enclosed is a Client Authorization to Bind Coverage for excess/stop loss coverage for workers' compensation claims over \$500,000 for non-law enforcement and over \$750,000 for law enforcement claims for your review and signature.

The estimated premium is \$112,560 for 2024 coverage plus a \$7,798 Broker Fee. Final premium will be based on actual worker hours during 2024.

Background and Purpose

The County protects its financial assets in the self-insured workers' compensation program with reserves and with insurance coverage for very large claims (also called stop loss or excess insurance). Each year, Arthur J. Gallagher, broker for the Washington Counties Risk Pool, seeks bids from the market, analyzes quotes, and provides options for coverage.

Current coverage for 2023 is with Midwest Employers Casualty Company which also proposed the best renewal pricing for 2024. The new rate per \$100 of 0.0638 represents a 4.7% increase over the previous year. There are not many options in this market who will write for municipalities in Washington state. The next best option would require a \$150,000 minimum premium regardless of our claims experience, which would be 33% higher than the current offer from Midwest.

Funding Amount and Source

The workers' compensation program is funded through internal rates charged to departments based on hours worked by risk classification (law enforcement, laborers, office, etc.). Premiums are paid from cost center 507300.

Please feel free to contact me at (360) 778-5306 if you have any questions or concerns regarding my recommendation.