

NOTICE OF MEETING
Des Moines Metropolitan Wastewater Reclamation
Authority Insurance Subcommittee

Monday, June 12, 2023
12:00 Noon

MEETING LOCATION:
BURNHAM CONFERENCE ROOM
DES MOINES METROPOLITAN PLANNING ORGANIZATION
420 WATSON POWELL JR. WAY, SUITE #200
DES MOINES, IOWA

Agenda

- ITEM 1:** **Arthur J. Gallagher & Co (AJG) Presentation** – Discussion and Recommendation
- Discussion of coverage updates and changes from last year
 - Comparison of costs
 - FY 2024 WRA Insurance Plan
- ITEM 2:** **Worker's Compensation** – Information/Discussion & Potential Recommendation
- Review of Worker's Compensation Expense and Supplemental Reserve
 - Review of Worker's Compensation Payments and Dashboard Charts
- ITEM 3:** **Other Business**



**DES MOINES METROPOLITAN
WASTEWATER RECLAMATION AUTHORITY**

CITY OF DES MOINES, OPERATING CONTRACTOR

Date: June 12, 2023
To: WRA Insurance Subcommittee
From: Scott Hutchens, WRA Director
Subject: Information on WRA Renewal of Insurance

Arthur J. Gallagher (AJG) will be presenting information for the next fiscal year insurance renewal at the June meeting. This committee met in May to obtain updates on market conditions prior to AJG's annual process. At the meeting, we discussed options for property insurance vs continuing in the Iowa Communities Assurance Pool (ICAP) for property coverage.

A list of the prior year's policies include the following:

1. Property coverage has been with ICAP since 7/1/2015,
2. WRA's boiler/equipment breakdown policy has been with Cincinnati for a few years, the price increased last year,
3. WRA's casualty package has been with National Union Fire for a couple years,
4. WRA obtained a three-year pollution policy that continues one more year,
5. WRA obtained two policies for biogas coverage 7/1/2021 which renewed on 7/1/2022 and expire 6/30/2023.
6. The City of Des Moines (CDM) will continue Cyber policies which the WRA participates in; a price increase is anticipated but unknown in amount at this time,
7. WRA also shares with the Operating Contractor coverage of employees under a crime policy and workers' compensation excess policy. Pricing from the city is not available until the end of June,
8. The WRA's share of CDM policies has been \$65,109 and \$67,555 in FY2022 and FY2023. The budget for FY2024 is \$72,000.
9. The cost of policies placed with AJG has been \$565,021 and \$636,170 in FY2022 and FY2023. Previously the cost was under \$400,000. The budget for FY2024 can increase to \$820,000 during the amending process.

AJG has provided a comparison spreadsheet showing the current pricing. A recommendation from the subcommittee to the WRA Board for new Insurance Coverages is needed for the June 2023 meeting. Thanks for serving on this committee.

**DES MOINES METRO WASTEWATER
RECLAMATION
2023 RENEWAL COMPARISON**



Insurance | Risk Management | Consulting

	<u>2022/2023</u>	<u>2023/2024</u>	<u>Change</u>
PROPERTY - ICAP	452,045	584,234	29%
Loss Limit	150,000,000	150,000,000	
Blanket Building and Personal Property	372,904,330	411,234,425	10%
Deductible	100,000	100,000	
ICAP Premium Credit	-	-	
Total	452,045	584,234	29%
EQUIPMENT BREAKDOWN POLICY	24,800	24,376	-2%
Insurance Carrier	Cincinnati	Liberty Mutual	
Limit	100,000,000	100,000,000	
Total Property	476,845	608,610	28%
CASUALTY PACKAGE POLICY	National Union Fire	National Union Fire	
General Liability	28,104	28,877	3%
Limit - Each Occurrence	1,000,000	1,000,000	
Limit - Aggregate	3,000,000	3,000,000	
Deductible	25,000	25,000	
Exposure Basis: Budget	27,077,420	27,942,420	3%
Business Auto	41,089	45,381	10%
Liability Limit	1,000,000	1,000,000	
Vehicle Count	89	87	-2%
Public Officials and Management Liability	5,958	6,913	16%
Limit - Each Occurrence	1,000,000	1,000,000	
Limit - Aggregate	3,000,000	3,000,000	
Exposure Basis: Payroll	6,467,070	6,691,450	3%
Excess Liability	34,382	37,195	8%
Limit - Each Occurrence	10,000,000	10,000,000	
Limit - Aggregate	10,000,000	10,000,000	
Total	109,533	118,366	8%
Biogas Coverage			
General Liability	21,185	46,128	118%
Insurance Carrier	Scottsdale	Scottsdale	
Limit - Each Occurrence	1,000,000	1,000,000	
Limit - Aggregate	2,000,000	2,000,000	
Deductible	10,000	10,000	
Exposure Basis - Sales	3,000,000	6,000,000	100%
Excess Liability - \$5M	14,292	30,744	115%
Insurance Carrier	Scottsdale	Scottsdale	
Limit - Each Occurrence	5,000,000	5,000,000	
Limit - Aggregate	5,000,000	5,000,000	
Excess Liability - \$5M excess of \$5M	14,317	16,067	12%
Insurance Carrier	Evanston	Evanston	
Limit - Each Occurrence	5,000,000	5,000,000	
Limit - Aggregate	5,000,000	5,000,000	
Total	49,794	92,939	87%
TOTAL PREMIUMS	636,172	819,915	29%



**DES MOINES METROPOLITAN
WASTEWATER RECLAMATION AUTHORITY**

CITY OF DES MOINES, OPERATING CONTRACTOR

Date: June 12, 2023
 To: WRA Insurance Subcommittee
 From: Scott Hutchens, WRA Director
 Subject: Review of Workers' Compensation Expense and Supplemental Reserve

A review of Workers' Compensation expenditures is presented annually to the Insurance Subcommittee. Included in this year's packet is the final spending amount for FY2022 and preliminary spending to date for FY2023. The chart below presents actual expenditures during each fiscal year and the differences from the budget. Prior to 2020, WRA expenditures exceeded the budget because payments trail the year of injury, meaning spending in FY2017-2020 includes payments for FY2016 injuries. After 2020, injuries were down and the budget had been increased. As a result, expenditures were less than budget providing funds to increase the supplemental reserve. Spending for the current fiscal remains low.

Budget and Expenditures are as follows:

<u>Fiscal Year</u>	<u>Budget</u>	<u>Spending</u>	<u>Difference</u>
2016-2017	160,000	453,715.82	(293,715.82)
2017-2018	175,000	341,018.23	(166,018.23)
2018-2019	235,000	378,666.89	(143,666.89)
2019-2020	255,000	211,970.72	43,029.28
2020-2021	325,000	83,366.45	241,633.55
2021-2022	325,000	209,363.37	115,636.63
2022-2023 *	325,000	87,850	under budget
2023-2024	300,000		

*partial year

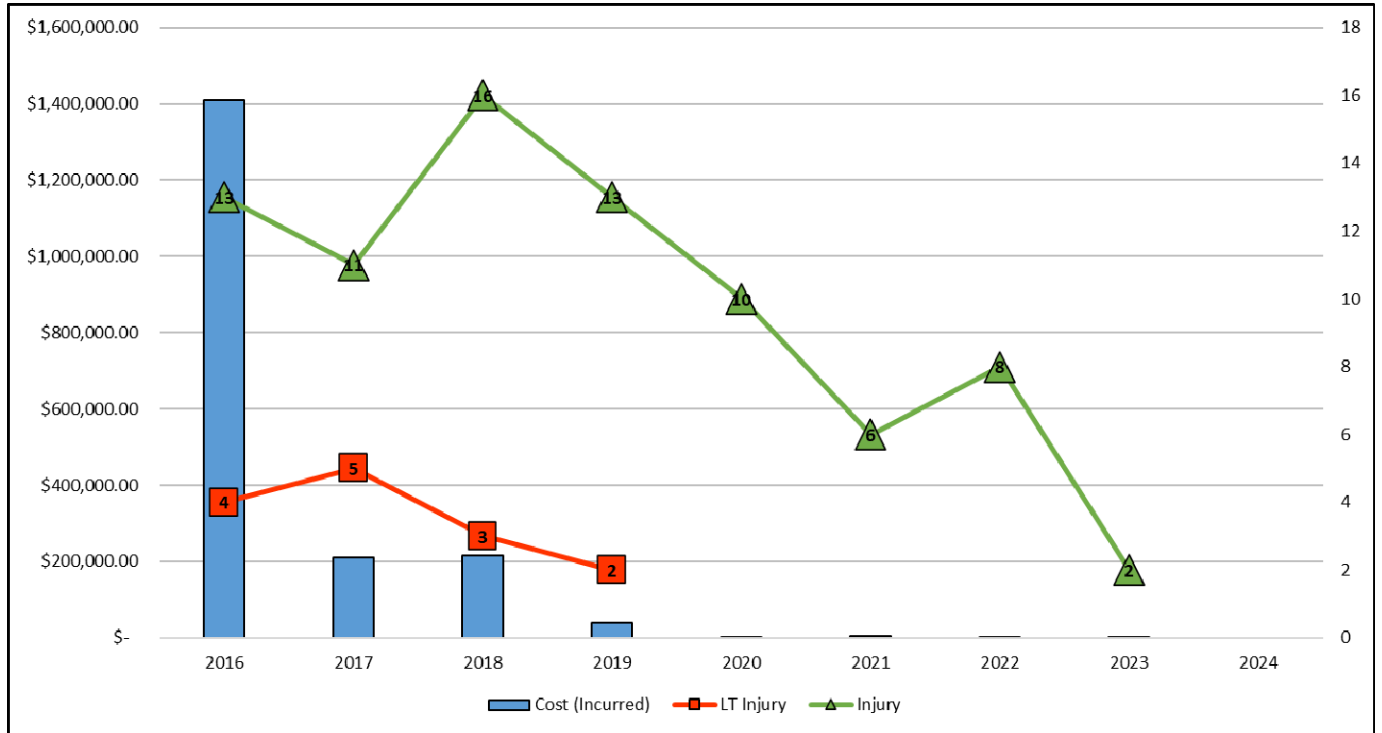
The supplemental reserve will increase to \$545,063 in FY2025. Staff recommends continuation of adjusting the supplemental reserve by the difference of the budget and actual expenditures while adding a range for the reserve balance. With that in mind, the budget was lowered for FY2024.

The subcommittee reviews annually the payment history. Staff recommends the reserve balance could remain between \$400,000 and \$600,000 if the Subcommittee concurs. If the difference at end of fiscal year is positive, that amount is available to increase the supplemental reserve up to \$600,000.

WORKING TOGETHER FOR CLEAN WATER

WRA injuries charted from the EMC Risk Dashboard information; injuries incurred continue to trend downward.

Injuries at the WRA Since 2016



EMC Risk Services, LLC Injury Analysis Dashboard

Department	WR
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Total Reserve	\$ 1,388,706.51
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Injury Cost (Paid)	\$ 2,789,401.24
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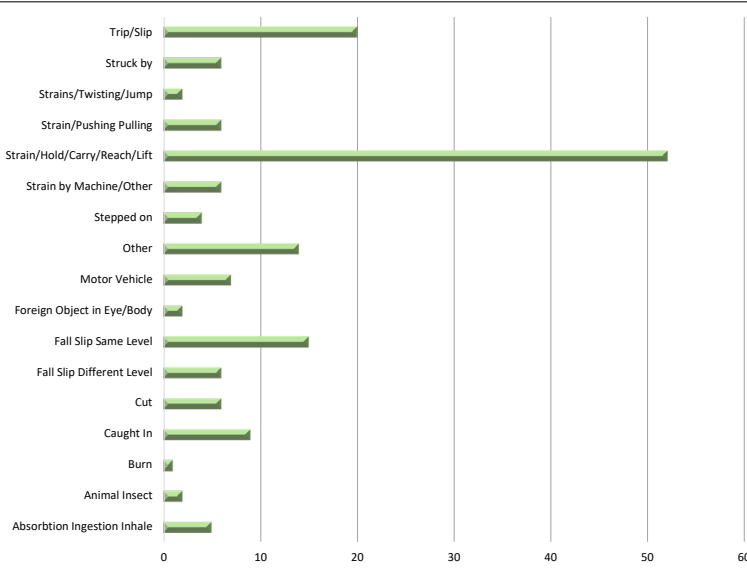
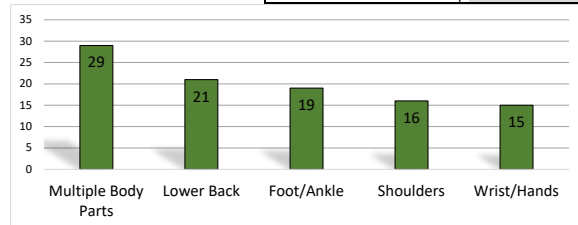
Injury Cost (Incurred)	\$ 4,178,107.75
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Loss Date Range:	Jan 2008 to May 2023
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Total Number of Injuries/Claims	165
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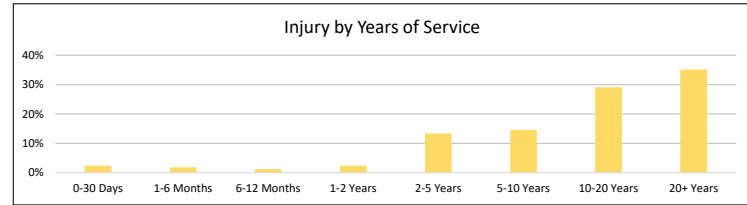
Injury Type	No.	%
Absorption Ingestion Inhale	5	3%
Animal Insect	2	1%
Burn	1	1%
Caught In	9	6%
Cut	6	4%
Fall Slip Different Level	6	4%
Fall Slip Same Level	15	9%
Foreign Object in Eye/Body	2	1%
Motor Vehicle	7	4%
Other	14	9%
Stepped on	4	2%
Strain by Machine/Other	6	4%
Strain/Hold/Carry/Reach/Lift	52	32%
Strain/Pushing Pulling	6	4%
Strains/Twisting/Jump	2	1%
Struck by	6	4%
Trip/Slip	20	12%
Total	163	100%

Body Part	No.	%
Abdomen/Groin	1	1%
Artificial Appliance	0	0%
Back/Spinal	0	0%
Chest	1	1%
Elbow	7	4%
Eye(s)	2	1%
Finger/Toe(s)	10	6%
Foot/Ankle	19	12%
Head Skull Bone	0	0%
Head-Soft Tissue/Ear	8	5%
Heart	0	0%
Hip/Pelvis	1	1%
Internal Organs	3	2%
Knee	14	8%
Lower Arm	1	1%
Lower Back	21	13%
Lower Leg	1	1%
Mouth	0	0%
Multiple Body Parts	29	18%
Multiple Lower Extremities	1	1%
Multiple Trunk	0	0%
Multiple Upper Extremitates	3	2%
Neck Disc	2	1%
Neck-Soft Tissue	0	0%
No Physical Injury	5	3%
Nose	0	0%
Shoulders	16	10%
Thumb	1	1%
Upper Arm	0	0%
Upper Back	2	1%
Upper Leg/Buttocks	2	1%
Wrist/Hands	15	9%
Total	165	100%



Yrs of Service	No.	%
0-30 Days	4	2%
1-6 Months	3	2%
6-12 Months	2	1%
1-2 Years	4	2%
2-5 Years	22	13%
5-10 Years	24	15%
10-20 Years	48	29%
20+ Years	58	35%
Total	165	100%

Lost Time Injuries	No.	Cost (Incurred)
Occurrences	43	\$ 4,094,672.79
Total	43	\$ 4,094,672.79



Year	Cost (Incurred)	LT Injury	Injury
2016	\$ 1,409,619.83	4	13
2017	\$ 210,859.04	5	11
2018	\$ 214,674.89	3	16
2019	\$ 38,211.28	2	13
2020	\$ 2,980.81		10
2021	\$ 4,217.98		6
2022	\$ 980.00		8
2023	\$ 1,242.18		2
Total	\$ 1,882,786.01	14	79

Injury Month	No.	%
January	13	8%
February	13	8%
March	15	9%
April	14	8%
May	20	12%
June	13	8%
July	11	7%
August	10	6%
September	14	8%
October	14	8%
November	8	5%
December	20	12%
Total	165	100%

Day of Week	No.	%
Monday	24	15%
Tuesday	28	17%
Wednesday	35	21%
Thursday	37	22%
Friday	35	21%
Saturday	2	1%
Sunday	4	2%
Total	165	100%

Month	Cost (Incurred)	%
January	\$ 222,835.50	5%
February	\$ 64,213.77	2%
March	\$ 24,943.73	1%
April	\$ 76,014.93	2%
May	\$ 454,972.01	11%
June	\$ 1,488,998.93	36%
July	\$ 74,605.76	2%
August	\$ 23,749.21	1%
September	\$ 40,193.03	1%
October	\$ 151,220.78	4%
November	\$ 323,781.36	8%
December	\$ 1,232,578.74	30%
Total	\$ 4,178,107.75	100%

