



**SCHOOL EMPLOYEES LOSS FUND  
Workers Compensation Program**

***Member Proposal of Insurance***  
**July 1, 2023 to June 30, 2024**

**Presented to:**

**Community USD (Wheaton) 200**

**SELL**

**Dated:**

**May 5, 2023**

**Presented by:**

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## SELF Executive Summary (2023-2024)

The SELF workers compensation renewal for 2023-2024 is showing increased loss developments. Loss development is up due to schools being fully staffed for over 12 months now, following the pandemic.

In preparing for the 7/1/2023-2024 renewal SELF and the Executive Committee rely on several key items including:

- Program Loss Development – the SELF actuary reviews total pool losses from the current and prior years to predict the “ultimate” cost to SELF. Using this ultimate loss calculation the actuary can select or pick the loss rate needed to fund losses for the coming 2023-2024 period. SELF’s most recent loss development has been less favorably due to increased work related injuries being reported.
- Member Loss Development – the cost of open claims is on the rise due to increasing medical costs. SELF uses a “loss sensitive” approach when calculating individual member contributions. As in previous years, member losses from the most recent three complete years are used to calculate the Individual district “Experience Modification” factor. This E-Mod, as it is called, is unique to each member and is used when member contributions are calculated.
- SELF Fixed Costs – these costs include claims administration (Sedgwick), program administration (RPA/Gallagher), excess insurance premium, loss control (Gallagher Bassett) and various legal and professional fees. For 2023-2024 program fixed cost total \$2,126,441 which is a 1.57% decrease from the prior year.
- Excess Insurance – SELF purchases stop loss protection excess of a \$1,000,000 retention. For 2023-2024 SELF selected a new insurance provider, Safety National Casualty Corporation for their excess insurance. Safety National provided a very favorable excess insurance premium quotation resulting in a 15% rate reduction and a two year rate guarantee.
- Investment Income – interest rates have helped SELF achieve a reasonable rate of return without taking on additional risk. Investment income helps to lower member annual contribution costs.
- Loss Fund Confidence Levels – with stable investment income and increasing loss development SELF continues to fund future losses at a 60% confidence level in 2023-2024. This results in a total pool loss fund of \$7,189,039.

SELF’s member equity, or surplus, remains very strong with \$29,318,280 as of February 2023. Member equity is achieved through lower than expected losses in previous years and interest income. SELF has a written procedure to return member equity back to active members in the form of a premium offset. Following these procedures the SELF executive committee is recommending an additional \$3,000,000 of member equity be returned with the 2023-2024 renewal. When this return is combined with SELF’s costs the result in an overall pool cost reduction of 7.78% from the previous year.

SELF’s commitment and high importance that it places on risk management and other cost reduction programs have contributed to the favorable financial results of the pool. Several of these programs have been in place now for many years and are having a significant impact on claim cost savings. These programs include:

- Safety Grant program – this program assists member districts through providing funds to purchasing safety equipment specifically designed to reduce slip/trip/fall losses. The program was first introduced in 2013 and has resulted in placing new safety equipment in schools. The current 2023 Grant program will be opening soon, watch your email.
- Monthly claim roundtable and settlement meeting – this successful program continues to achieve favorable settlement results and IWCC case wins. SELF members are invited to join these meetings to review open claims in their District.
- Early claim reporting – SELF encourages early reporting of claims and continues to enhance and simplify claim reporting and accident investigation.
- Return to Work program – education and training continues in this important area. Districts are encouraged to develop programs and policies that can be used to bring injured workers back to work on a temporary duty basis. Watch for Safety Seminars in 2023 covering this topic.

For the 2023-2024 program period SELF remains committed to conserving member assets through risk management and loss reduction activities.



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**Coverage Summary**

LIMITS	
Workers Compensation	Statutory
Employers' Liability	
✦ Bodily Injury by Accident, Each Accident	\$1,000,000
✦ Bodily Injury by Disease, Policy Limit	\$1,000,000
✦ Bodily Injury by Disease, Each Employee	\$1,000,000

COVERAGE ENHANCEMENTS
✦ Broad Form All States Endorsement – U.S.A. and District of Columbia
✦ Voluntary Compensation Endorsement
✦ Foreign Voluntary Workers Compensation Coverage
✦ Automatic Waiver of Subrogation – If Required by Written Contract

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**Estimated Exposures**

<b>PAYROLL &amp; RATE COMPARISON</b>	<b>07/01/2022 to 06/30/2023</b>	<b>07/01/2023 to 06/30/2024</b>	<b>% Change</b>
8868 Professional Employees Estimated Payroll	\$115,354,889	\$120,401,006	4.37%
8868 Rate Per \$100	0.30	0.27	
9101 School – All Other Employees Estimated Payroll	\$2,214,500	\$2,326,296	5.05%
9101 Rate Per \$100	3.18	2.89	
7380 Commercial Drivers Estimated Payroll	\$0	\$0	0.00%
7380 Rate Per \$100	7.86	7.14	
<b>Total Estimated Payroll</b>	<b>\$117,569,389</b>	<b>\$122,727,302</b>	<b>4.39%</b>

<b>MODIFIERS</b>	<b>07/01/2022 to 06/30/2023</b>	<b>07/01/2023 to 06/30/2024</b>	<b>% Change</b>
Experience Modification Factor (E-Mod)	0.81	0.82	1.23%
SELF Pool Debit/Credit Modifier (P-Mod)	0.95	0.87	-8.42%



**Quotation**  
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CLASSIFICATION	ESTIMATED PAYROLL *	RATE/\$100 2023	MANUAL PREMIUM
<b>8868: Professional Employees</b> (This includes all teachers, teachers' aides, administrative personnel, clerical, cafeteria employees, lunchroom/classroom supervisors or monitors)	\$120,401,006	0.27	\$325,083
<b>9101: School- All Others</b> (Custodial or maintenance workers)	\$2,326,296	2.89	\$67,230
<b>7380: Commercial Drivers</b> (Full-time and part-time bus drivers)	\$0	7.14	\$0
<b>Total Manual Premium</b>			\$392,313
Experience Modification Factor (District Exp.-Modification Factor for 2023)			0.82
Total District Experience-Modified Premium			\$321,696
SELF Pool Debit/Credit Modifier (Pool-Modification Factor 2023)			0.87
Total P-Modified Premium			\$279,876
<b>Member Percent of Pool for Contribution 2023-2024</b>			3.6875%

	POOL TOTAL CONTRIBUTION	% OF POOL	MEMBER CONTRIBUTION
Excess Workers Compensation Premium	\$393,194	3.6875%	\$14,499
Claims Administration – Sedgwick	\$649,997	3.6875%	\$23,969
Pool Administration and Brokerage, Loss Control, Web Platform, Professional and Related Fees	\$1,083,250	3.6875%	\$39,945
SELF Loss Fund Contribution (60% Funding)	\$7,189,039	3.6875%	\$265,095
<b>TOTAL CONTRIBUTION 2023-2024</b>	\$9,315,480	3.6875%	\$343,508
Return of Contributions - 2004-2021	(3,000,000)		(\$123,337)
Payroll Audit from 2021-2022			(\$2,642)
<b>TOTAL Estimated Deposit Contribution with Adjustments for 2023-2024</b>	\$6,315,480		\$217,529

**DO NOT PAY FROM THIS QUOTATION.**

**YOUR 2023-2024 SELF INVOICE WILL FOLLOW WITH  
PAYMENT INSTRUCTIONS IN EARLY JULY**

(Auditable Payroll\*)