

# Memorandum



DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Excess Workers' Compensation Insurance Policy Renewal

The January 22, 2014 Council Agenda includes an item to exercise the first of two one-year renewal options for Excess Workers' Compensation Insurance with Texas Municipal League Intergovernmental Risk Pool (TMLIRP), not to exceed \$425,000, effective February 1, 2014 through January 31, 2015. There is no additional cost to renew the policy and the premium will remain the same. TMLIRP's Executive Board has approved the renewal of the policy.

Excess workers' compensation insurance limits the City's financial exposure on employee injury claims. The City purchases excess workers' compensation insurance for compensable claims that exceed an established threshold. The policy will provide benefits such as disability, death, medical, etc. to employees that have suffered an injury or illness during the course and scope of their job. The City will pay the first \$1 million for each injury and an additional \$1 million corridor deductible.

TMLIRP is an interlocal government agency offering excess workers' compensation coverage to political subdivisions in accordance with the Texas Workers' Compensation Act. TMLIRP maintains an "A" Stable rating from Standard & Poor's and provides coverage to cities, municipal utility districts, transit authorities and public utility boards. TMLIRP conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

Please let me know if you need additional information.

Jeanne Chipperfield  
Chief Financial Officer

c: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Daniel F. Solis, Administrative Judge  
Craig D. Kinton, City Auditor  
Ryan S. Evans, Interim First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Frank Libro, Public Information Officer  
Elsa Cantu, Assistant to the City Manager