

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
JANUARY 6, 2015 AGENDA**

| Subject: | Action Required: | Approved By: |
|---|--|--|
| <p>Amendment of Resolution No. 13,919 and Resolution No. 13,728 for Workers' Compensation Stop-Loss</p> <p>Submitted By:</p> <p>Human Resources Department</p> | <p style="text-align: center;">Ordinance √ Resolution Approval Information Report</p> | <p style="text-align: center;">Bruce T. Moore City Manager</p> |
| SYNOPSIS | <p>Policies for Workers' Comp Stop-Loss Coverage require a deposit premium at the beginning of the policy year and an audit of covered payroll at the end of that period. If the deposit premium exceeds to audit, a refund is issued. If deficient an additional premium is required. Language in Resolution No. 13,728 (July 2013) and Resolution No. 13,919 (July 2014) does not anticipate that process.</p> | |
| FISCAL IMPACT | <p>The premium for Stop-Loss Coverage is provided in the Workers' Compensation budget line item(s).</p> | |
| RECOMMENDATION | <p>Approval of amendments to Resolutions No. 13,728 and 13,919 to allow additional premium for Workers' Compensation Stop-Loss coverage if required after the appropriate audit noted in the Stop-Loss Policy.</p> | |
| CITIZEN PARTICIPATION | <p>NA</p> | |
| BACKGROUND | <p>The City operates a Self-funded Workers' Compensation Program to provide legally required benefits to employees injured in the course and scope of employment with the City. The State Workers' Compensation Commission requires that self-insured entities purchase a policy of Stop-Loss Coverage.</p> | |

**BACKGROUND
CONTINUED**

These policies require an estimated deposit premium be paid and that an audit be performed at the end of the policy year. During periods of significant change in total payroll, the audit can result in additional premium or a refund of a portion of the deposit. The two (2) resolutions noted do not contain language allowing payment of additional premium amounts if required. The audit following the July 2013-July 2014 Policy period requires additional premium of \$13,933.00.