

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Sep 22, 2016

Action Requested By: Human Resources

Agenda Type: Resolution

Subject Matter:

Application for Excess Workers Compensation insurance coverage for the period October 1, 2016 through September 30, 2017.

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute an application for excess worker's compensation insurance with Safety National Casualty Corporation.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

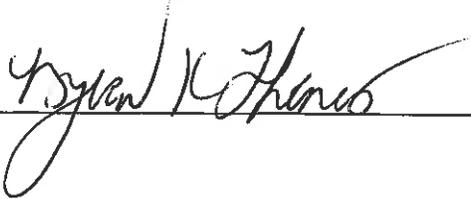
Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

This application is needed to provide for the renewal of excess worker's compensation insurance coverage.

Associated Cost: \$237,894

Budgeted Item: _____

MAYOR RECOMMENDS OR CONCURS: _____

Department Head: 

Date: 9/13/16

ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Human Resources Council Meeting Date: 9/22/2016

Department Contact: Cindy Lehman Phone # 256-427-5244

Contract or Agreement: Application for Excess Worker's Compensation insurance

Document Name: Safety National Casualty Corporation Application for Excess Workers Compensation

City Obligation Amount: \$237,894

Total Project Budget:

Uncommitted Account Balance:

Account Number: 1000-19-00000-502150-00000000

Procurement Agreements

<u>Select...</u>	<u>Select...</u>
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Grant-Funded Agreements

<u>Select...</u>	Grant Name: <u></u>
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Department	Signature	Date
1) Originating	<i>Cindy Lehman</i>	9/13/16
2) Legal	<i>[Signature]</i>	9/14/16
3) Finance	<i>[Signature]</i>	9-15-16
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

RESOLUTION NO. 16-_____

WHEREAS the City of Huntsville, wishes to renew an agreement for excess workers compensation insurance coverage with Safety National Casualty Corporation; and

WHEREAS, the City desires to commence the agreement with Safety National Casualty Corporation on October 1, 2016.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to execute the application for excess workers compensation insurance with Safety National Casualty Corporation, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said application is substantially in words and figures similar to the certain document attached hereto and identified as "Application for Excess Worker's Compensation" and related documents consisting of ten (10) pages and the date of September 22, 2016 appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 22nd day of September, 2016.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 22nd day of September, 2016.

Mayor of the City of
Huntsville, Alabama



BRENTWOOD REINSURANCE INTERMEDIARIES, INC.

**APPLICATION FOR EXCESS WORKERS
COMPENSATION**

APPLICANT'S NAME: City of Huntsville, Alabama

(Exact name(s) to appear on contract)

Address: P.O. Box 308 Huntsville, AL 35804-0308

FEIN# 63-6001296 **Quote need by date:** _____

States in which the applicant has qualified for self insurance: Alabama

How long has applicant been self insured: _____

Description of Operations: Municipality

Describe any changes in operations that have occurred or are planned: N/A

PRESENT PROGRAM:

Carrier: Safety National Casualty Corporation **Expiration:** October 1, 2016

Specific Limits: Statutory **Retention:** \$750,000 **Employers' Liability Limit:** \$1,000,000

Aggregate Limit: N/A **Aggregate Retention:** N/A

Endorsements: Voluntary Compensation Endorsement – Premium Delineation – Broad Form All States for Employee Travel

DESIRED PROGRAM:

Specific Limits: _____ **Retention:** _____ **Employers' Liability Limit:** _____

Aggregate Limit: _____ **Aggregate Retention:** _____

Options: _____

Endorsements: _____

INSURED'S CLAIM MANAGEMENT:

Name of Insured Claims Contact: Cynthia Lehman

Address: P.O. Box 308 Huntsville, AL 35804-0308 **Telephone:** 256-427-5244

CLAIMS ADMINISTRATION:

Name of Claims Provider: Brentwood Services Administrators, Inc.

Name of Claims Manager: Eryn Crawford

Address: P.O. Box 1125, Brentwood, TN 37024-1125 **Telephone:** 615-263-1300

Services Provided: Claims Administration

How long has Company held contract: Since 7/1/2008

APPLICANT'S NAME: City of Huntsville, Alabama

ADDITIONAL EXPOSURE INFORMATION:

If there are any "YES" responses to the following, please provide a detailed description of exposure.

YES	NO	
X		Are there any occupational disease exposures involved in the applicant's operation?
X		Are there any exposures to Human Immunodeficiency Virus (HIV) or have any cases of AIDS related complex (ARC) been diagnosed within the past five years?
	X	Has the applicant had any OSHA or State OSHA violations within the past 5 years?
	X	Have there been any Employers Liability Claims against the Applicant?
	X	Are any employees subject to the Longshoremen and Harborworker's Act?
	X	Are any employees subject to the Jones Act?
	X	Are any employees subject to the Federal Employers Liability Act?
X		Do the operations of the applicant involve volunteer labor or leased employee?
X		Does the applicant have any foreign operations or employees who travel to foreign Countries?
X		Does the applicant perform any underground, subaqueous or tunneling operations?
X		Do the operations of the applicant involve exposure to heights?
X		Is the applicant engaged in the production, refining, distribution or storage of explosives or explosive substances?
X		Do the operations of the applicant involve exposure to toxic chemicals?
X		Is the applicant engaged in manufacture, production, refining, storage, distribution or transportation of gasses, gasoline or flammables?
	X	Has any plant or facility closed in the past 5 years?
X		Does the applicant have any exposure to burns?
	X	Has the applicant been cancelled or non-renewed in the past 5 years?
X		Does the applicant own or lease commercial autos? (If yes, complete the Supplemental Application)
	X	Does the applicant own, lease or charter aircraft? (If yes, complete the Supplemental Application)
	X	Does the applicant own, lease or charter watercraft? (If yes, complete the Supplemental Application)

APPLICANT'S NAME: City of Huntsville, Alabama

INTERNAL CLAIMS CONTROL:

1. Explain your claim reporting guidelines to the TPA and how claims are reported (i.e. timeframe, reporting mechanism). We report accidents and injuries according to Alabama Workers' Compensation Law within five (5) days of the accident. Reporting is done by e-mail.

2. Describe your staffing for internal claims administration. What are the related responsibilities and duties? Claims Technician: Receives First Reports of Injury; liaison between treating physician and injured employee; consults with TPA on management of claims; directs injured employee to treating physician; communicates with physician on treatment recommendations; submits narrative, doctor's notes, and invoices for treatment to TPA; distributes temporary total disability checks to employees on loss time; follows established protocols and works with the City's on-site nurse to coordinate referrals to treating physician.

3. Explain what PPO, Pharmacy Management, Medical Bill Review, Nurse Case Management etc. services you utilize. Our TPA, Brentwood, sends bills to MCMC for bill utilization. We utilize Carlisle for our pharmacy billing.

4. Explain how initial medical attention and direction is given to the injured worker. The City's Employee Health and Wellness Center is the initial point of contact for all employees who are injured on the job. The LPN, directs the injured employee to either OHG or Huntsville Hospital ER depending on the severity of the injury. The physicians at OHG specialize in occupational health medicine.

5. Describe your frequency of communication with your TPA and what issues are covered. The City's claims technician communicates with the TPA daily. Issues that are covered include temporary total disability payments, medical bills, physician brief reports, medical referrals, and any other concerns that need to be addressed.

6. Describe your return to work program from a departmental and organizational standpoint. Based on the authorized treating physician's opinion, employees who have been out of work on workers' compensation may return to work either full duty with no restrictions, or be placed on restricted duty. If the department has work that can accommodate the employee's restrictions, that employee is allowed to work within those guidelines. If there is no work within the department that can accommodate the employee's restrictions, and the Employee has reached maximum medical improvement (MMI), the employee may be sent home and can use Accrued leave until such time as a determination can be made about the employee's work status.

LOSS CONTROL INFORMATION:

Yes No

X		Pre-employment physical performed?
X		Documentation of pre-existing injuries and/or medical conditions?
X		Substance abuse testing performed?
X		Return to work programs in place?
X		Is there a Formal Safety Program and Safety Manual in place?

APPLICANT'S NAME: City of Huntsville, Alabama

LOSS PREVENTION INFORMATION CONTINUED:

1. Do you have a dedicated staff (including safety committees) to handle safety initiatives, and if so, what are their responsibilities. Department heads have the responsibility of ensuring compliance with all safety policies and procedures pursuant to the respective departments.

2. Describe your safety program, including employee involvement and management commitment. It is the policy of The City of Huntsville to provide employees with a safe working environment. All employees should maintain an attitude toward safety and take precautions to prevent accidents.

3. Explain your accident reporting and investigative procedures. Accidents are reported to the State of Alabama within the five day reporting period, and investigate procedures are done by individual departments if it appears a safety issue was violated. Suspicious claims are investigated by our TPA, Brentwood.

4. Describe your employee safety-training program. Each City department is responsible for safety indoctrination, and may provide additional training if necessary.

5. Over the last 5 years, what major loss prevention initiatives have you instituted that you feel have had a significant effect on reducing loss exposure or safety culture. (Please indicate when these initiatives were incorporated into your existing processes.) In 2008, The City's Employee Health Clinic began giving classes on weight loss, smoking cessation classes, they began a program for cardiac screenings, blood pressure screening, cholesterol screenings, and glucose monitoring believing that a healthy employee is less likely to injure themselves and, when injured, recovers at a faster pace.

6. Do you have any incentive programs for management and employees incorporating safety and program results? We have a Safety Incentive Awards Program.

Minimum Criteria

Low Risk

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or safety incentive awards.

Employee must not have a positive drug or alcohol test.

Medium Risk

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or annual safety incentive awards.

Employee does not have or cause a preventable accident, other equipment damage or bodily injury, through their own negligence or carelessness.

Employee eligibility for safety incentive awards shall be determined at the discretion of the Department Head.

Employee must not have a positive drug or alcohol test.

High Risk

Employee does not have an at-fault "Loss of Time" injury for the timeframe established for the quarterly and/or annual safety incentive awards.

Employee does not have or cause a preventable accident, other equipment damage or bodily injury, through their own negligence or carelessness.

Employee eligibility for safety incentive awards shall be determined at the discretion of the Department Head.

Employee must not have a positive drug or alcohol test.

**Safety
Incentive Awards
Program**

Tommy Battle,
Mayor



Telephone: 256.427.5240
Fax: 256.427.5245

CITY OF HUNTSVILLE
Human Resources Department
308 Fountain Circle
Huntsville, AL 35801
Telephone: 256.427.5240
Fax: 256.427.5245

Safety Incentive Awards Program

Objectives

The Safety Incentive Awards Program is established for the purpose of promoting safety awareness, injury/accident prevention, and safety recognition within the workforce on a city-wide and departmental basis, annually and quarterly respectively.

Goals

The goals of this program are to instill within each employee the responsibility of safety within the work environment and reward employees who perform their job tasks in a safe manner. In addition, the program shall serve a public purpose in that it is expected to significantly reduce costs or improve public services.

Definitions

(A) Low Risk Classification

An employee whose position requires minimal or no exposure to potential hazardous environments or substances;

(B) Medium Risk Classification

An employee whose position requires intermittent or occasional work in potentially hazardous environments or with hazardous substances; and

(C) High Risk Classification

An employee whose position requires direct work in potentially hazardous environments or with hazardous substances on a routine basis.

Annual Recognition Process

(A) The annual Employee Safety Recognition and Incentive Program shall provide monetary awards to regular, full-time and regular, part-time employees based upon their high, medium or low risk classification. Eligible regular, full-time employees shall receive the following annual monetary awards based upon their risk classification:

- \$100 - High Risk Classification
- \$75 - Medium Risk Classification
- \$50 - Low Risk Classification

Eligible regular, part-time employees shall receive one-half of the above annual monetary awards based upon their designated risk classification.

(B) The "SAFE" Recognition Program shall recognize regular, full-time and regular, part-time employees who remain injury and/or accident free for the entire fiscal year. Eligible employees, who remain injury and/or accident free at the conclusion of each quarter of the fiscal year, shall be eligible for participation in the program.

The letter "S" will be awarded for the 1st fiscal quarter, the letter "A" for the 2nd fiscal quarter, the letter "P" for the 3rd fiscal quarter and the letter "E" for the 4th fiscal quarter to those employees that meet the eligibility criteria. The fiscal quarters shall be defined as follows:

October - December	"S"
January - March	"A"
April - June	"P"
July - September	"E"

Employees receiving all of the letters for each fiscal quarter shall be eligible for grand prize drawings, as determined by the Administration. Employees must be employed by the City of Honesville for the entire fiscal year to be eligible for participation in the "SAFE" Recognition Program.

Program Criteria

All employees, whether full-time or part-time, excluding Elected Officials, Appointed Officials and Department Heads, will be eligible for participation in the Safety Incentive Awards Program.

Participation in the annual awards is restricted to employees, other than temporary employees, who have been employed the preceding full year and who have worked at least fifty (50%) of the work hours in the preceding year.

For quarterly awards, employees must have been employed for the entire quarter and must have performed normal work duties for at least fifty (50%) of the work hours during the quarter. Temporary employees are only eligible for quarterly awards.

No Safety Incentive Awards will be given if Actual Losses exceed total Projected (Budgetary) Losses for the fiscal year.

Applicant Name: City of Huntsville, Alabama

Risk Code	Risk Desc	No. Employees	Total Wages
0042	LANDSCAPE GARDEN & DRIVERS	137	\$ 4,815,740.80
3064	SIGN MANUFACTURING - METAL	1	\$ 38,958.40
3365	WELDING/CUTTING NOC & DRIVER	1	\$ 40,539.20
5506	STREET OR ROAD CONSTRUCTION	70	\$ 2,395,328.00
5606	CONTRACTOR - EXEC SUPERVISOR	1	\$ 69,971.20
6306	SEWER CONSTRUCTION & DRIVERS	48	\$ 2,235,667.20
6325	CONDUIT CONSTRUCTION FOR CABLE	15	\$ 787,467.20
7382	BUS COMPANY ALL OTHER & DRIVER	64	\$ 2,029,976.00
7580	SEWAGE DISPOSAL PLANT OPER	55	\$ 2,918,531.20
7590	GARBAGE WORKS	103	\$ 4,444,772.80
7704	FIREFIGHTERS & DRIVERS	381	\$ 22,056,779.68
7720	POLICE OFFICERS & DRIVERS	571	\$ 27,352,348.40
8380	AUTOMOBILE SERVICE OR REPAIR C	48	\$ 2,387,902.40
8392	AUTO STORAGE GARAGE OR PARKING	10	\$ 265,824.00
8742	SALES, COLLECTORS, MSSGRS	22	\$ 52,187.20
8810	CLERICAL OFFICE EMP NOC	511	\$ 26,073,342.00
8820	ATTORNEY - ALL EES, & DRIVERS	11	\$ 1,184,435.20
8831	HOSPITAL - VETERINARY & DRIVER	24	\$ 1,015,809.60
9015	BUILDING - OPERATION BY OWNER	44	\$ 1,754,593.62
9101	COLLEGE OR SCHOOL - ALL	106	\$ 939,734.38
9102	PARK NOC - ALL EMPS & DRIVERS	163	\$ 4,965,433.20
9220	CEMETARY OPERATION & DRIVERS	3	\$ 174,075.20
9402	STREET CLEANING & DRIVERS	16	\$ 711,256.00
9403	GARBAGE COLLECTION & DRIVERS	25	\$ 797,659.20
9410	MUNICIPAL, TOWNSHIP EMPS NOC	48	\$ 3,505,008.00
9554	SIGN INSTALLATION, REPAIR	14	\$ 553,384.00
Total		2492	\$ 113,566,724.08

VEHICLE SUPPLEMENTAL APPLICATION

1.	Number of owned or leased vehicles	1450
	Passenger Cars	704
	Extended Vans	25
	Buses	24
	Med to Heavy Trucks	158
	Truck Tractors	70
	Police Cars	350
	Ambulances	0
	Fire Trucks	44
	Golf Carts and ATV's	45

2. Each department has their own vehicle and it is up to each department to determine who in that department is allowed access to their vehicle.

Number of Police Department Drivers	372
Number of Fire Department Drivers	395

3. The City does not have any Owner-Operators.
4. On call staff and police officers who live within Madison County are allowed to drive their vehicles home.
5. The City of Huntsville is a municipality and the operations here are those to ensure the upkeep of the city. Landscaping, paving, sewer, water pollution control, garbage pick-up, fire and rescue, police, traffic engineering, and the support staff to help carry out these functions.
6. The average radius of travel is 20 miles with a maximum radius of 100 miles. Trips are confined to the State of Alabama. Throughout the city there is daily travel and the number of people per unit varies by department with a maximum of 4-6.
7. The city does not hold intrastate and/or interstate licenses to haul for others.
8. The city does not backhaul any goods for others.

APPLICANT'S NAME: City of Huntsville, Alabama

Completion of this application creates no obligation upon the applicant to accept insurance or upon the company to offer such insurance; however, in the event that such is accepted by the applicant or that it is issued by the company, this application will form the basis for that acceptance and issuance.

- Florida *Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.*
- Louisiana *Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.*
- Maryland *Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.*
- New Jersey *Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.*
- New York *Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.*
- Washington *It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.*
- Other States *Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.*

Applicant: City of Huntsville, Alabama

Name:

Tommy Battle

Address: P.O. Box 308

Title:

Huntsville, AL 35804

Mayor

Date:

9-22-2016

Signature:

CONFIRMATION OF COVERAGE

NAME INSURED EMPLOYER: City of Huntsville
ADDRESS: P.O. Box 308, Huntsville, AL 35804
INSURER: Safety National Casualty Corporation
POLICY NUMBER: TBD
TYPE OF INSURANCE: Specific Excess Workers' Compensation and
Employers' Liability Insurance
LOCATION(S): Alabama
POLICY PERIOD: October 1, 2016 to October 1, 2017

Self-Insured Retention per Occurrence for Police Officers \$750,000
Self-Insured Retention per Occurrence for Firefighters \$750,000
Self-Insured Retention per Occurrence for All Others \$750,000

Maximum Limit of Indemnity per Occurrence Statutory

Employers' Liability Maximum Limit of Indemnity per Occurrence \$1,000,000

Premium Rate: 0.2205 per \$100 of Payroll based on \$113,566,722

Deposit Premium for the Payroll Reporting Period: \$250,415

Minimum Premium for Liability Period: \$237,894

This Confirmation of Coverage is issued with the authority of the insurer(s) and is issued by the undersigned without any liability whatsoever as an insurer. This Confirmation of Coverage is effective October 1, 2016 to policy issuance and is subject to all the terms and conditions of, and shall be automatically terminated and superseded by, the Excess Workers' Compensation Agreement and Employers' Liability Insurance Agreement when issued by Safety National Casualty Corporation.

ISSUED AT BRENTWOOD, TN.

SIGNED:  DATE: 9/13/16

NAME/TITLE: Dawn Wilson/Vice President

ACCEPTED ON BEHALF OF:
CITY OF HUNTSVILLE

SIGNED: _____ DATE: _____

NAME/TITLE: Tommy Battle, Mayor