



TO: SOUTHERN NEVADA DISTRICT BOARD OF HEALTH **DATE:** May 23, 2024

RE: *Approval of the new Workers' Compensation Insurance Policy Agreement between the Southern Nevada Health District and Risk Administration Services (RAS) for policy period 07/01/2024-07/01/25*

PETITION #38-24

That the Southern Nevada District Board of Health *approve the new workers' compensation insurance policy Agreement between the Southern Nevada Health District and Risk Administration Services (RAS).*

PETITIONERS:

Fermin Leguen, MD, MPH, District Health Officer *FL*
Kim Saner, Deputy District Health Officer - Administration *KS*
Renee Trujillo, Chief Human Resources Officer

DISCUSSION:

In July 2016, the Health District joined Pool/PACT (Nevada Public Agency Insurance Pool) to cover both its insurance needs, as well as workers compensation. However, the cost of annual premiums has continued to increase due to other agencies in the pool, as well as the Health District's growing payroll, all while the Health District continued to maintain low claims. In order to review costs associated with coverage, the Health District engaged a new insurance broker and took our insurance needs out to the marketplace. Ten insurance applications were completed by staff for all insurance coverage.

On or about March 1, 2024, the Health District gave Pool/PACT proper notice, in accordance with its bylaws, that the Health District intended to leave the Pool and the PACT at the end of the plan year, June 30, 2024. However, Pool/PACT allows for rejoining prior to the expiration of the plan year. Thus, Pool/PACT submitted proposals to the Health District for continued coverage in fiscal year 2025.

In review the proposals from insurance companies, the Health District will save \$246,986 utilizing a new insurance company to replace Pool's coverage. Therefore, the Health District has opted to utilize Risk Administration Services (RAS) to replace Pool's coverage for our workers' compensation insurance.



FUNDING:

Coverage:	Workers' Compensation	
Limits:	Each Bodily Injury By Accident: Each Bodily Injury By Disease: Each Bodily Injury By Disease:	\$1,000,000 Each Accident \$1,000,000 Policy Limit \$1,000,000 Each Employee
Annual Cost:	\$172,500 (including fees)	\$268,146

Confirmation of Coverage

Workers' Compensation and Employers Liability

Southern Nevada Health District



Consent to Rate pending.

Effective: 7/1/2024 to 7/1/2025

Version Date: 4/17/2024

Policy Number(s): 74231

Prepared By: RAS

Alliance With: Higginbotham

Underwriting Company: Dakota Truck Underwriters

RAS

RISK ADMINISTRATION SERVICES, INC.

Southern Nevada Health District COMMISSION

This proposal includes commission where the exposure basis for premium is projected payroll.
Below is a summary by option quoted

Option	Percent of Premium	Policy Premium	Estimated Commission
G. Cost	8.00%	268,146	21,452

Risk Administration Services (RAS) isn't responsible for disclosing insurance commissions paid to insurance producers to its policyholders. By placing coverage with RAS it's agreed that RAS will be held harmless from any claim or suit brought by a R policyholder alleging improper disclosure of producer compensation.

Southern Nevada Health District
FINANCIAL SUMMARY

		Bound
Program	G. Cost	
Deductible/Loss Limit/Retention	-	
Loss Control Hours	-	
Payroll		
Aggregate	-	
Fixed Cost Rate excl Terror		
Total Fixed Cost Premium	261,524	
Terror & DTEC	6,402	
Fixed Cost incl Terror	267,926	
Expense Constant	220	
Total Premium and Fees	268,146	
Non-premium State Assessments	-	
Total Cost of Program	268,146	
Experience Mod	0.61	
Cost of Risk		
	Bound	-
	G. Cost	
Deductible	-	
Projected Losses within Deductible	-	
Cost of program (large deductible)	268,146	
Claim admin estimate (LCF)	-	
Cost of Risk	268,146	
SSA Projected Distribution		
Net Cost of Risk	268,146	

Southern Nevada Health District
COVERAGE AND ENDORSEMENT SUMMARY

Employers Liability

Bodily Injury By Accident:	\$1,000,000	Each Accident
Bodily Injury By Disease:	\$1,000,000	Policy Limit
Bodily Injury By Disease:	\$1,000,000	Each Employee

Endorsements

Policy documents to follow.

Southern Nevada Health District
TERRORISM AND STATE ASSESSMENTS

Terrorism/DTEC State Summary

State	Terrorism Rate	DTEC Rate	Terrorism Premium	DTEC Premium
NV	1%	1%	\$ 3,201	\$ 3,201

Non-Premium State Assessment/Surcharges (Option 1)

State Assessment(s)

No state assessments apply at this time

Assessments will apply to all options. Assessments shown on this page apply to Option 1 and may vary by deductible level. All premium and non-premium state assessments are estimates and are subject to final audit.

Southern Nevada Health District
SUBSCRIBER SAVINGS ACCOUNT (SSA)

Savings Allocation Estimate

Deductible	\$ -
Annual premium	\$ 268,146
SSA contribution	\$ -
Potential loss ratio	15%

Year	Premium	Projected Investment Income Allocation	Projected Profit Allocation	Projected Total Allocation	Projected Cash Distribution	SSA Balance	Profit Allocation % of Premium	Total Allocation Return to Premium	Investment Income Allocation % of SSA Bal.	Net Premium After Distribution	Distribution to Premium
2024	268,146	-	10,472	10,472	-	10,472	3.9%	3.9%	0.0%	268,146	0%
2025	267,413	279	31,425	31,704	-	42,176	11.8%	11.9%	0.7%	267,413	0%
2026	268,146	1,346	51,940	53,286	-	95,462	19.4%	19.9%	1.4%	268,146	0%
2027	268,146	3,048	72,006	75,054	-	170,516	26.9%	28.0%	1.8%	268,146	0%
2028	268,881	6,347	91,773	98,120	(39,248)	229,388	34.1%	36.5%	2.8%	229,633	-15%
2029	267,413	8,539	90,822	99,361	(39,744)	289,005	34.0%	37.2%	3.0%	227,669	-15%
2030	268,146	12,290	90,101	102,391	(40,956)	350,440	33.6%	38.2%	3.5%	227,190	-15%
2031	268,146	14,902	89,410	104,312	(41,725)	413,027	33.3%	38.9%	3.6%	226,421	-16%
2032	268,881	17,564	88,875	106,439	(42,576)	476,890	33.1%	39.6%	3.7%	226,305	-16%
2033	267,413	20,280	88,193	108,473	(65,084)	520,279	33.0%	40.6%	3.9%	202,329	-24%
Total	2,680,731	84,595	705,017	789,612	(269,333)	520,279	26.3%	29.5%	NA	2,411,398	-10%

Please note, this is a projection based on assumptions (for discussion only).

What the Subscriber Savings Account (SSA) is and how it works for you.

Partnership is important to RAS and we mean business. The SSA is a profit-sharing program where we invest in and reward long-term profitable partners.

Policyholders with coverage placed in our Dakota Truck Underwriters (DTU) company are automatically placed into the program and become a Subscriber. Your SSA is held in your name and immediately starts working to generate allocations and distributions.

Allocations are made to the top 25% of profitable active Subscribers. These allocations help to grow your SSA Balance which in turn helps to increase your Distribution potential.

Distributions are based on tenure, profitability and your SSA Balance relative to your average annual premium. Once you're vested (five-year vesting period) you can start to see real return in the form of a distribution (cash back).