AGENDA ITEM #: _____

DATE: June 8, 2020

CAR #: 2020-6958

CITY COUNCIL ACTION REPORT

SUBJECT: Workers Compensation – Arizona Municipal Risk Retention Pool (AMRRP)

STAFF PRESENTER(S): Lyman Locket, Human Resources Director

OTHER PRESENTER(S): Tim Fisher, Continuous Improvement Manager

Summary: The city will be transitioning the Workers Compensation coverage from CopperPoint Premier Insurance Company to Arizona Municipal Risk Retention Pool (AMRRP) effective July 1, 2020.

Recommendation:

ADOPT RESOLUTION NO. 2020-2059 APPROVING THE CITY'S WORKERS COMPENSATION COVERAGE TO BE ADMINISTERED THROUGH THE ARIZONA MUNICIPAL RISK RETENTION POOL (AMRRP). In addition, authorize the associated expenditure of $950,000 for our workers compensation coverage premium and deductible.

Fiscal Impact: We do not anticipate any major changes in the projected Workers Compensation coverage budget for FY2021. The estimated premium and deductible of $950,000 is expected to be similar to the cost projections anticipated from CopperPoint had they remained in the market. This includes a rate reduction due to our workers compensation experience rating, resulting in a savings of about $100,000. Department base budgets include this expense.

Background and Previous Actions

CopperPoint Premier Insurance Company has been providing the city's Workers Compensation coverage since 2014. Recently, CopperPoint elected to exit the Workers Compensation market in Arizona. The city launched an RFP for Workers Compensation coverage in March of 2020. The city received two proposals from brokerage firms that did not meet the city's established criteria. On a parallel track we received quotes from the AMRRP, who is our current property and casualty insurance coverage provider. The city has been a member of AMRRP for over 30 years.

Staff Analysis

AMRRP meets and exceeds the city's needs and has additional innovative tools that are anticipated to streamline our reporting process. New tools and features include a 24/7 telephonic nurse triage service for injured employees (non-life or limb threatening injuries). Employees will

speak with a Registered Nurse who will triage the injury and provide next steps in the care process, albeit First Aid, Self Care, or direction to go to an Urgent Care or the Emergency Room. The triage call will create the Incident Report and other applicable reports, depending upon the injury and required care.

We will be adding the Workers Compensation Coverage within our current membership with AMRRP.

We are anticipating a seamless transition with the following plan:

- All existing claims will continue to be handled by CopperPoint through the life of the claim
- Meeting with the key stakeholders on AMRRP selection and overview of the rollout (Union members involved in RFP process, Fire and PD Health Safety Officers and Safety Committee members)
- Employee training to be conducted the last two weeks of June
- AMRRP process launches in July

Attachments

Resolution 2020-2059