

DELIVERED APR 06 2023

CITY OF MIDDLEBURG HEIGHTS

RESOLUTION NUMBER 2023-31 Workers Comp Group Res 2024.doc

Introduced by: Mr. Bortolotto, Mr. Meany, and Mr. Grech

**A RESOLUTION
AUTHORIZING THE MAYOR AND FINANCE DIRECTOR
TO ENTER INTO A CONTRACT WITH THE OHIO ASSOCIATION OF
PUBLIC TREASURERS AND SEDGWICK
FOR WORKERS' COMPENSATION GROUP EXPERIENCE
RATING PROGRAM FOR THE YEAR 2024**

WHEREAS, The Council of the City of Middleburg Heights desires that the City maintain Workers' Compensation coverage for its employees at the lowest possible cost; and

WHEREAS, The City of Middleburg Heights has been invited to participate in the Ohio Association of Public Treasurer's Workers' Compensation Group Rating Program, with Sedgwick, as program administrator; and,

WHEREAS, It is estimated that the City of Middleburg Heights will save \$12,835 for the 2024 plan year through its participation in the program;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MIDDLEBURG HEIGHTS, CUYAHOGA COUNTY, STATE OF OHIO:

Section 1. That the Mayor and Finance Director enter into an agreement with The Ohio Association of Public Treasurers and CompManagement for Workers' Compensation coverage through its Workers' Compensation Group Rating Program for a twelve-month period commencing January 1, 2024, through December 31, 2024, for the rating year 2024.

Section 2. That the Director of Finance be authorized to pay a fee of \$5,020 to Sedgwick for enrollment fees.

Section 3. It is found and determined that all formal actions of this council concerning and relating to the passage of this resolution were adopted in an open meeting of this council and that all deliberations of this council and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of Ohio Revised Code.

PASSED 4/11/23

David Bortolotto
PRESIDENT OF COUNCIL

ATTEST:

M. Meola
CLERK OF COUNCIL

PRESENTED TO MAYOR 4/12/23 APPROVED ON: 4-17-23

	YEAS	NAYS
BORTOLOTTA	<u>X</u>	_____
ALI	<u>X</u>	_____
SAGE	<u>X</u>	_____
MEANY	<u>X</u>	_____
MCGREGOR	<u>X</u>	_____
FERENCE	<u>X</u>	_____
GRECH	<u>X</u>	_____

Matthew Casella
MAYOR

I, Mary Ann Meola Clerk of the Council of the City of Middleburg Hts., Ohio, hereby certify that Res. 2023-31 adopted by the Council of the City of Middleburg Hts., on 4/11/23 was posted for a period of fifteen days, beginning 4/17/23 and remained so posted for fifteen days at the two posting places as designated by Charter.

Mary Ann Meola
Clerk

CERTIFICATE

I, Mary Ann Meola, Clerk of Council of the City of Middleburg Heights, Ohio, do hereby certify that the foregoing is a true and accurate copy of Res. 2023-31 passed on the 11th day of April 2023 by said Council.

Mary Ann Meola
Clerk of Council



March 8, 2023

JASON STEWART
CITY OF MIDDLEBURG HEIGHTS
15700 E BAGLEY ROAD
CLEVELAND, OH 44130

Group Enrollment for Policy # 31807602

We are pleased to announce that for the 2024 rating year your organization qualifies for both **Group Rating** and **Group Retrospective Rating** programs. We encourage you to review both programs and the discount opportunities for each.

2024 Projections

Group Experience Rating	
Estimates are based on historical claim and payroll data; therefore it is a bit more predictable, with little risk and an upfront discount. In addition to Group Rating savings, you could save additional premium by stacking BWC Program rebates (Drug Free Safety, Lapse Free, Safety Council, Transitional Work Bonus).	
Group TM%*	-28%
Individual Premium	\$162,452
Group Premium	<u>\$149,617</u>
Group Savings	<u>\$12,835</u>
*BWC mandated break-even factor will be applied. To enroll in Group Rating, sign and return the AC-26, AC-2, and invoice with payment. Please confirm your choice on the invoice.	

Group Retrospective Rating (current program)	
Estimates use past information to predict future outcomes. Since future refunds will depend on actual claim costs and premiums that occur during the rating year there is some risk involved, however substantial savings are possible. Cannot stack with most other BWC discount programs.	
Target Refund %	41%
Individual Premium	\$162,452
Standard Premium	\$132,226
Net Premium	<u>\$108,240</u>
Future Refund	<u>\$54,212</u>
To re-enroll in Group Retro, sign and return the U-153 and invoice with payment. Please confirm your choice on the invoice.	

You may also enroll online at www.sedgwick.com/ohiotpa/enroll.

Join our program and receive these services:

- Claims Management
- Hearing Representation
- Review of BWC Rates and Invoices
- Online Account Access
- Educational Opportunities
- BWC Updates

To help you decide which group program is best for you or to discuss Sedgwick services, please contact **Mark Milano** at (330) 353-6033 or Mark.Milano@sedgwick.com.



2024 Group Savings Summary

Policy: 31807602
Employer: City Of Middleburg Heights

Group ID: 06717
Association: Ohio Association of Public Treasurers

Manual	Base Rate	Annual Payroll	Estimated Individual Rating = -22 %		Estimated Group Discount = -28%	
			Indiv Rate**	Individual Premium	Group Rate**	Group Premium
9431	1.46	11,476,701	0.014006	160,743	0.012900	148,049
9439	9.26	0	0.088705	0	0.081948	0
9444	0.15	1,160,000	0.001474	1,710	0.001351	1,567
		12,636,701	Estimated Individual Premium*	162,452	Estimated Group Premium*	149,617

Estimated Group Savings	\$12,835
Annual Fee	\$5,020

*The 2024 premium amounts are for the payroll period from 1/01/2024 to 12/31/2024.

**Rates include: BWC administrative costs of 22.8600% of premium, a DWRF rate of 0.00, a DWRF II rate of 0.000 of base rate.

Projections of individual and group rates are estimated using BWC loss information as of the last quarter and the most recent historical payroll information provided by the BWC. Estimates of premium must be projected in advance of the application deadline. Therefore the actual premium will vary from the estimates depending upon group enrollment level, BWC rates, experience calculations, and actual payroll.

ALL PREMIUMS ARE STILL PAYABLE TO THE BUREAU OF WORKERS' COMPENSATION.

Submitted By: Sedgwick



2024 Group Retrospective Rating Analysis

Employer: City Of Middleburg Heights
Policy No.: 31807602

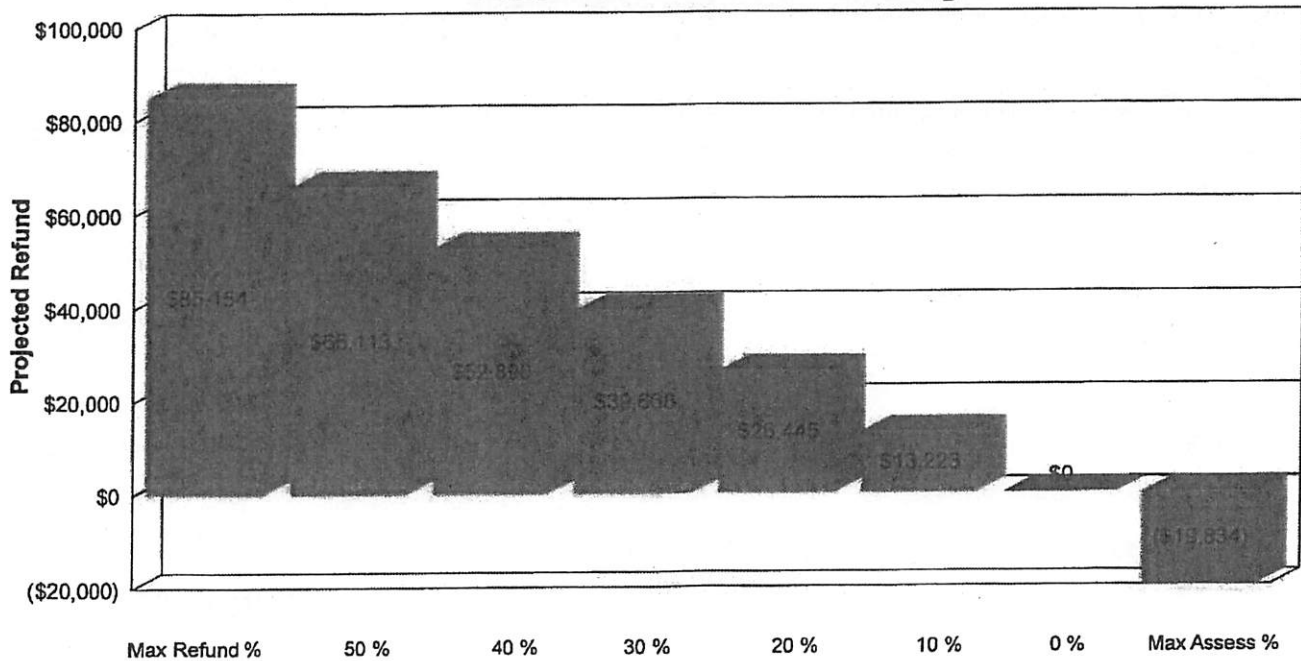
Projections based on: TM: -22% EMR: 0.78

Estimated Standard Premium:	\$132,226
BWC Admin & DWRP:	<u>\$30,226</u>
Estimated Individual Premium:	\$162,452

BWC will conduct three (3) annual evaluations to determine the refund/assessment. Evaluations will take place at 12, 24, and 36 months after the end of the policy year.

Max Refund: 64.40%	Max Assessment: 15%
Projected Maximum Refund: \$ 85,154	Projected Maximum Assessment: \$ 19,834

Estimated Refund Range



*The 2024 premium amounts are for the payroll period from 1/01/2024 to 12/31/2024.

Actual group refunds/assessments will be dependent on the performance of the entire group. This projection is to be used as a guideline only for decision making purposes. The results should not be construed as actual.

— Why Sedgwick public employers

Sedgwick is the preferred partner of Ohio public employers

Sedgwick is proud to deliver workers' compensation claims management and cost containment strategies to over 3,100 Ohio public employers and have endorsements from the most prominent public-sector Associations. With 88% of the Ohio public employer market share (group and group retrospective rating combined) choosing Sedgwick is the clear choice for Ohio public employers over all other third party administrators.

Having the largest group rating and group retrospective rating programs positions the Sedgwick administered programs to lead the public sector in workers' compensation discounts and refunds. Sedgwick group rating participants benefit from more discount options. Sedgwick group retrospective rating participants benefit from larger groups which provide additional stability enabling the program to benefit from the more favorable factors that are used in calculating performance.

3,100

Ohio public employer clients

88%

total public group market share

81%

total public market share

A true customer-centric approach



Savings



Hearing representation



Personalized service



Technology & reporting



Industry expertise



Educational programs



Claims management



Lower rates

\$5.97M

2022 estimated public group savings

\$158M

Public group retro earned refunds 2010-2020 (all other TPAs under \$26M)

EXHIBIT A

To view the Sedgwick service agreement referenced in this Exhibit, visit <https://viaoneohio.sedgwick.com/Rating/2024PEgroupcontract.pdf>
password: group2024



INVOICE

Bill To:

JASON STEWART
CITY OF MIDDLEBURG HEIGHTS
15700 E BAGLEY ROAD
CLEVELAND, OH 44130

Invoice Date: March 8, 2023
Invoice #: 1420021
Policy #: 31807602
Group #: select option below
Rating Year: 2024
Due Date: Upon Receipt

Please indicate which program you would like to participate

Group Rating (#6717) Group Retrospective Rating (#6142)

GROUP ENROLLMENT

The enrollment fee covers:

- ◆ Services for the annual contract period beginning 9/1/2023
- ◆ Policy Year: Group enrollment for 1/1/2024 to 12/31/2024
- ◆ Ohio Association of Public Treasurers membership dues

Annual Fee:

\$ 5,020

Please return payment along with all completed enrollment forms based on your group selection as instructed on the cover letter

For checks make payable and send to:

Sedgwick
PO Box 89456
Cleveland, OH 44101-6456

OR

Or to enroll and pay online visit
www.sedgwick.com/ohiotpa/enroll

Credit card account number:	<input type="text"/>
Amount to be charged: \$ 5,020	Expiration date: <input type="text"/>
Print name as it appears on card:	<input type="text"/>
Signature:	<input type="text"/>
By signing above you authorize Sedgwick to charge your credit card in the amount as shown above, and agree to pay the amount shown above according to your credit card agreement.	

By returning this invoice or by remittance of the service fee, Client acknowledges and accepts all terms and conditions of the workers' compensation service agreement. Said agreement is hereby incorporated by reference herein (see link above). This invoice is for Sedgwick's workers' compensation third party administration services pursuant to a service agreement between your company and Sedgwick. Client acknowledges that payment of this invoice does not constitute or guarantee enrollment in any workers' compensation discount/alternative rating program.

Printed Name	<u>X</u> Signature	Title	Date
<u>jstewart@middleburgheights.com</u> Email Address	<u>440 234 8989</u> Phone number	If your organization has merged with or acquired another company in the last year, or plans to up through the policy year noted above, initial here and contact our office immediately to review your options. <input type="checkbox"/>	

Questions? Contact Mark Milano at (330) 353-6033 or Mark.Milano@sedgwick.com

If a W-9 is needed visit <https://viaoneohio.sedgwick.com/Rating/SedgwickW9.pdf>

Ohio Association of Public Treasurers Retro Group, group #see above (2024) GRC-M
Sedgwick / policy #31807602