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Date: November 2, 2009

## **AGENDA ITEM 15d**

**TO: MEMBERS OF THE BOARD OF DIRECTORS**

- I. SUBJECT: Renewal of Expiring January 2010 Insurance Coverage**
- II. PROGRAM: Risk Management**
- III. RECOMMENDATION: It is recommended that the President be authorized to secure renewal of the January 2010 expiring policy at terms most favorable to State Fund.**

**IV. ANALYSIS:**  
The following insurance policy renewal item is for the Excess Workers' Compensation policy that is due for renewal on January 1, 2010. Risk Management recommends that the President be authorized to secure renewal of the expiring policy at terms most favorable to State Fund for the following coverage: Excess Workers' Compensation coverage.

**V. RESULTS/COSTS:**  
This insurance policy renewal fulfills a prime Risk Management responsibility. The following details the current insurance carrier, the policy limits, deductibles, and premium for this coverage.

### **EXCESS INSURANCE ON STATE FUND'S OWN EMPLOYEE WORKERS' COMPENSATION CLAIMS**

The expiring Excess Workers' Compensation policy is currently with Midwest Employers Casualty and ACE Insurance Company. State Fund retains the first \$2,000,000 of liability on each claim. The next \$25,000,000 of loss excess of \$2,000,000 per claim is insured with Midwest Employers Casualty. Premium for this layer is \$648,000 subject to final, actual payroll exposure. Coverage above \$27,000,000 to statutory workers' comp limits per claim is provided by ACE Insurance Company for an additional premium of \$522,681 subject to final, actual payroll exposure.