

Kittitas County
Auditor

Agenda Staff Report

AGENDA DATE:

11/17/2009

ACTION REQUESTED:

Request the Chairman, sign the new agreement with Department of Labor and Industries for the year 2010

BACKGROUND:

Kittitas County belongs to the Department of Labor and Industries Retrospective Rating program and has participated in this program since 1988. The retrospective plan allows the county to receive a refund based upon the plan you choose, and if our L&I claims fall below the threshold, if you exceed the threshold we will have to pay. In 2009, for 2007 we had to pay the maximum addition premium as our claims exceed the breakeven threshold. The program allows for the county to continue using the same plan and rate each year as an automatic rollover. With the budget being as tight as it is, we need to change our plan so the maximum out of pocket is reduced.

The county currently is in the plan A1 premium ratio 1.20.

If the county continued in this plan for 2010 the maximum refund allowed would be \$20,093; Break Even \$276,217 and additional premium due \$42,752.00.

I am recommending we switch to the plan A1 premium ratio 1.05 which would allow a refund \$5,558; Breakeven \$276,217 and maximum additional premium \$10,688.

INTERACTION:

RECOMMENDATION:

Recommend the Chairman sign the Individual Retrospective Rating Plan Agreement, choosing the plan A1 with the premium ratio 1.05

HANDLING:

Return 2 original agreements to Judy to send to L&I

LEAD STAFF:

Judy Pless