

IOWA STATE UNIVERSITY

University Extension

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To: Regional Extension Directors

From: Shel M. Mourlam
Accountant – Iowa State University Extension

RE: County Insurance for FY10

ISU Office of Risk Management (ORM), in cooperation with ISU Extension Finance, works to coordinate risk management functions for the counties, including insurance, loss control and claims. ORM reviews and evaluates rating methodologies with the assistance of LaMair-Mullock-Condon Insurance Company, to ensure the lowest rates possible. As illustrated in the table below, most FY10 premiums remained relatively flat or decreased compared to the previous year with the exception of Workers Compensation. Due to the past several years of increased claim frequency and higher claim amounts, the experience modifier for the County Ag Extension Districts has continued to climb resulting in increased workers compensation premiums. To minimize the increase in workers compensation premiums we have added a \$250 deductible. Information related to this deductible is included in the workers compensation link listed below.

	FY08 Premium	FY09 Premium	FY10 Premium
General Liability	\$12,787	\$13,269	\$9,139
Auto Liability	\$675	\$701	\$695
Workers Comp	\$32,952	\$37,729	\$38,808
D & O	\$15,451	\$16,034	\$15,334

The FY10 invoices for General Liability, Workers Compensation, and Directors & Officers Insurance will be sent to each county by U.S. Mail. Counties should not pay until they have received the invoice. We would appreciate payment by October 1, 2009. The FY10 premium spreadsheet is attached and shows each county's premium computation.

The Workers Comp FY10 premium (\$38,808) plus prior year adjustment based on the annual audit (\$8,593) for a total of \$72,569 is prorated among the 100 districts based upon each county's total wage expenditures as reported in the FY08 consolidated County Annual Financial Report. The General Liability Insurance (\$9,139) is prorated based on the gross square footage of county offices, and the Auto Liability (\$695) and Directors and Officers Insurance premium (\$15,334) is evenly distributed among the counties.

All commercial insurance policies were renewed July 1, 2009, through LaMair-Mulock-Condon (LMC). Iowa State University has relied on the knowledge and expertise of LMC for over 20 years and is pleased to continue that relationship in FY10.

It is very important that all county directors read through the following attachments regarding the Extension risk management package and be familiar with the coverage afforded for the 2009-2010 fiscal year.

1. Risk Management Fact Sheet

2. County Extension Operations

General Liability Insurance

Auto Liability & Property Damage

Business Personal Property – Group Contents (OPTIONAL through ORM)

Workers Compensation

Crime Bond Insurance (OPTIONAL through ORM)

Directors & Officers Insurance

Requests for Obtaining Certificate of Insurance

3. ISU/State Extension Operations

General Liability Insurance

Auto Liability Insurance

Property Insurance

Workers Compensation

Requests for Certificates of Insurance

4. Volunteers for 4-H Programs

General Liability Insurance

Auto Liability Insurance

Volunteer Authorization Process

Workers Compensation & Medical Coverage

5. FY10 County Insurance Costs

Please call if you have questions.

Enclosure