



**CITY OF DUNWOODY**  
400 Northridge Road  
Suite 1250  
Phone: 678.382.6700 • Fax: 678.382.6701  
www.dunwoodyga.gov

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## MEMORANDUM

**To:** Warren Hutmacher, City Manager  
**From:** Roma Rowland, Director of Human Resources  
**Date:** March 3, 2009  
**Subject:** Authorization for the City Manager to approve Workers Compensation Insurance for the City of Dunwoody

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### ***Staff Recommendation:***

Staff recommends that the City Manager approve the following Workers Compensation Insurance Quote from Southeastern US Insurance Inc. for the employees of the City of Dunwoody. In addition, in preparation of this information, we have worked with both the President of Bryant Wharton Thompson and Bryant Wharton. They have given personal and very immediate attention. As the City is currently a client with the insurance/retirement packages, it is clear that they are going to provide the same service to us in the workers compensation insurance.

As this is the first year for the City, we are unsure of the experiences we will have. Next year and going forward we will be able to better judge and get even more competitive rates for coverage with private insurance firms. GMA however, will remain the same as all cities are placed together in the same pool and they set the rates.

Based on the information received from the broker, BWT, the quotes, and the references, the HR recommendation is to select SEUS for the worker's compensation policy.

### ***Background:***

The City of Dunwoody must establish Workers Compensation Insurance for City of Dunwoody employees.

### ***Discussion:***

#### ***Process in receiving quotes:***

1. GMA who is providing other City insurance was contacted.
2. Bryant Wharton Thompson (BWT) who is a branch of Bryant Wharton (the broker for medical & retirement plans) was contacted.
  - a. BWT presented account to Travelers Insurance, Key Risk Insurance and Southeastern US Insurance (SEUS).
    - i. Travelers Insurance does not provide workers comp insurance unless in conjunction with other policies.

- ii. Key Risk Insurance said they received prior submission from another agent/broker and were unable to quote (we don't know who that was).
  - iii. SEUS provided quote.
- b. Insurance carriers would not provide quotes to new City as we have no previous claims experience.

***Quote analysis:***

1. Both GMA and SEUS were provided the exact number of employees and the budgeted payroll per position.
2. The quotes and a quote summary is attached to this email.
3. Key observations are:
  - a. GMA quotes a rate of 4.94 per police officer and SEUS quotes a rate of 2.90
  - b. GMA puts all cities in a pool and the rate is set for all cities and class codes
  - c. GMA mandates the code that the City Manager is assigned to regardless of the duties of the City Manager (this quote is for someone who is travelling extensively outside of the office, such as a salesperson)

***References (It is my understanding that SEUS is not as well known as GMA therefore we contacted some references):***

1. Meriwether County Clerk:
  - a. Fantastic, very thorough, saved \$30k, they will call to make appts-saves time, they had catastrophe in 1st month, very good to work with, will do walk through in bldg to prevent accidents
2. City of Auburn Accounting HR:
  - a. Would recommend, very quick, very helpful, will do training, quick to pay claims, will do training, good nurse care

***Financial Impact:***

The City would recognize a savings of approximately 70% in a rate premium in selecting SEUS.

***Attachments:***

Attached is the quote for Southeastern US Insurance Inc., the quote for Georgia Municipal Association and a comparison spreadsheet for your analysis.

**SOUTHEASTERN US INSURANCE, INC.**  
 1908 Cliff Valley Way - Suite 100  
 Atlanta, GA 30329

**Workers Compensation and Employers  
 Liability Insurance Quote**

Quote Number: Q5000743-000
Named Insured: City of Dunwoody
Agency Name: The Governmental Insurance Source, LLC.

**Extension of Information Page  
 Classification of Operations**

Effective	ST	Class Code No.	Class Description	Premium Basis Total Estimated Annual Premium	Rate Per \$100 of Remuneration	Estimated Annual Premium
03/01/2009	GA	7720	Police officers & drivers	2,130,300.00	02.9000	\$61,779.00
03/01/2009	GA	8810	Clerical Office Employees NOC	619,000.00	00.2800	\$1,733.00
03/01/2009	GA		Policy Minimum Premium			\$750.00
03/01/2009	GA	9889	Schedule Rating Premium		01.1000	\$6,351.00
03/01/2009	GA		Total Standard Premium			\$69,863.00
03/01/2009	GA	0900	Expense Constant			\$150.00
03/01/2009	GA	9741	Domestic Terrorism, Earthquake, Catastrophic Industrial Ac		00.0000	\$0.00

Document Date: 03/04/2009  
 Issuing Office: Southeastern US Insurance

**Georgia Municipal Association  
Workers' Compensation Self-Insurance Fund**

2009-Estimated Premium  
Dunwoody

Code	No.	Payroll Classification	Rate	Payroll	Manual Premium
7720	41	Police	4.94	2,130,300	105,237
8742	1	City Administrator	0.64	145,000	928
8810	10	Clerical	0.32	474,000	1,517

52 Total Estimated Payroll		2,749,300	
Manual Premium			107,682
Experience Modification	1.00		
Standard Premium			\$107,682
Sub Total			\$107,682
Miscellaneous	1.20		
Earned Premium			\$129,218
2009 Estimated Annual Premium			129,218
\$5,000 Deductible Premium	0.80		103,375
10,000 Deductible Premium	0.75		96,914
\$25,000 Deductible Premium	0.70		90,453

	GMA	SEUS	Rate
# of Police Officers	41	41	2.9
# of Clerical Employees	10	0.32	11
# of City Administrators*	1	0.64	0
# of Total Employees	52		52
Estimated Payroll	\$2,749,300		\$2,749,300
Limits of Liability	Workers comp limits are per each incident and cover what law mandates to GMA Employer liability: \$2M/per occurrence	Bodily Injury by Accident: \$2M/accident Bodily Injury by Disease: \$2M policy limit Bodily Injury by Disease: \$2M/employee	
Payment Terms	1) Pay in full; or 2) Pay 25% the first month (\$32,249), then monthly installments (\$19,349) for five months (must be paid in full in six months)	\$17,503 deposit premium, then 8 monthly installments of \$5,832 and 1 installment of \$5,854	
Total Est. Amount Due	\$129,218		\$70,013
Coverage Period	12 month period	12 month period	
Cancellation Notice	90 days	N/A	
Claims Administration	Report via phone, fax or online	Report via phone, fax, or online	

\* City Manager

GMA requires that all City Managers fall under this class code (code is for outside traveling salesworkers)