



City of Hammond

Insurance Proposal and Summary of Coverages

Policy Term

May 1, 2024 – April 30, 2025

StielInsurance.com

COMMERCIAL PACKAGE POLICY

Insuring Company "A++" Rated

(Includes General Liability, Automobile, Public Officials, Law Enforcement Coverages)

GENERAL LIABILITY

Aggregate Limit	\$ 3,000,000
Products/Completed Operations	3,000,000
Personal & Advertising Injury	1,000,000
Limit of Insurance for Each Occurrence	1,000,000
Damage to Premises Rented to You	1,000,000
Failure to Supply – Sudden and Accidental Sewage Backup	1,000,000
Abuse or Molestation Aggregate Limit	1,000,000
Abuse or Molestation Offense Limit	500,000
Self-Insured Retention	150,000
Occurrence Form	

AUTOMOBILE COVERAGE

Limit of Insurance for Each Occurrence	\$ 1,000,000
Includes Hired & Non-Owned Liability	
Self-Insured Retention	150,000
Uninsured Motorist	Not Covered
Medical Payments	Not Covered
Auto Physical Damage Deductible - \$1,000	

Excludes Coverage for Fire Units (Covered Separately through VFIS)

PUBLIC OFFICIALS ERRORS AND OMISSIONS

Aggregate Limit	\$3,000,000
Limit of Insurance for Each Wrongful Act	1,000,000
Self-Insured Retention	100,000
Claims Made Form	
Retroactive Date: 7/1/93	
Workplace Violence Expense Coverage	250,000

Employment Practices Liability

Aggregate Limit	\$3,000,000
Limit Each Offense	1,000,000
Self-Insured Retention	100,000
Claims Made Form	
Retroactive Date: 7/1/93	

Employee Benefits Liability

Aggregate Limit	\$3,000,000
Limit Each Offense	1,000,000
Self-Insured Retention	100,000
Claims Made Form	
Retroactive Date: 7/1/93	

LAW ENFORCEMENT LIABILITY

Aggregate Limit	\$3,000,000
Limit Each Wrongful Act	1,000,000
Self-Insured Retention	100,000
Occurrence Form	

Commercial Package Premium \$596,316

AUTOMOBILE COVERAGE FOR FIRE UNITS ONLY

Insuring Company "A+" Rated

Limit of Insurance for Each Occurrence	\$ 1,000,000
Includes Hired & Non-Owned Liability	
Uninsured Motorist	Not Covered
Medical Payments	Not Covered
Auto Physical Damage Deductible - \$1,000	
Includes Blanket Portable Equipment Coverage with \$5,000 Deductible	
Annual Premium \$87,891.30	

EXCESS WORKERS' COMPENSATION

Insuring Company "A+" Rated

Statutory Limit	
Employers Liability Limit per Occurrence	\$1,000,000
Aggregate Excess Limit	1,000,000
Self-Insured Retention	750,000
Annual Premium \$153,767 *	

***Note: Two year policy option with same terms for \$307,534**

AIRPORT LIABILITY

Insuring Company "A" Rated

Each Occurrence Limit	\$10,000,000
Property Damage Deductible	5,000
Non Owned Aircraft Liability (10 seat max)	5,000,000
Hangar keeper's Limit	5,000,000
Fire Legal Liability	100,000
Medical Payments	5,000
Terrorism Coverage	Included
3 Year Option to lock in premium	
Annual Premium \$13,233.00	

BLANKET BOND

Insuring Company "A" Rated

Public Employee Faithful Performance Blanket Position	\$ 100,000
Mayor, Director of Administration, Financial Information, Accounting Supervisor, President of Council	
All Others	25,000
Annual Premium	\$1,347.64

REVENUE SUPERVISOR BOND

Insuring Company "A" Rated

Revenue Supervisor & Collector	\$ 100,000
Annual Premium	\$500.00

WORKERS' COMPENSATION BOND

Insuring Company "A+" Rated

Louisiana Bond	
Annual Premium	\$7,500.00

EQUIPMENT

Total Insured Value	\$1,997,062
Leased Equipment	\$300,000
Small Tools	\$10,000
Actual Cash Value	
80% Coinsurance	
\$2,500 All Other Peril Deductible	
\$25,000 Named Storm Per Occurrence Deductible	
Includes Flood and Earthquake Coverage	

Annual Premium \$12,213

COMMERCIAL PROPERTY (Exhibit 1)

Insuring Company "A" Rated

Total Property Value \$46,250,105

First \$15,000,000 includes wind coverage

Remaining \$31,250,105 includes Wind but excludes Named Storm

Wind and Hail Deductible 2% w/\$100,000 minimum per location

Named Storm Deductible 5% w/\$100,000 minimum per location

Wind Driven Rain 5% w/\$100,000 minimum per Location

All Other Peril Deductible \$100,000
Replacement Cost

Annual Premium \$435,240.20

Note: Total Property Values increased by \$7,108,404 due to increase cost of construction.

ANNUAL PREMIUMS

Commercial Package	\$ 596,316.00
Automobile Coverage for Fire Units	87,891.30
Excess Workers' Compensation	153,767.00
Airport Liability	13,233.00
Blanket Bond	1,347.64 (Direct Bill)
Revenue Supervisor Bond	500.00
Workers' Compensation Bond	7,500.00
Equipment	12,213.00
Property	435,240.20
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TOTAL ANNUAL PREMIUM	\$1,308,008.14
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**PREMIUM COMPARISON
FOR 2023 AND 2024 POLICY TERMS**

	2023	2024
Commercial Package	\$556,135.00	\$596,316.00
Automobile Coverage for Fire Units	71,154.75	87,891.30
Excess Workers' Compensation	154,711.00	153,767.00
Airport Liability	13,233.00	13,233.00
Blanket Bond	1,347.64	1,347.64
Revenue Supervisor Bond	500.00	500.00
Workers' Compensation Bond	7,500.00	7,500.00
Equipment	Included	12,213.00
Commercial Property	280,744.00	435,240.20
	_____	_____
Total Premium	\$1,085,325.39	\$1,308,008.14

OPTIONAL QUOTES

Package and Excess Workers' Compensation

Package Liability - \$250,000 Self Insured Retention versus \$100,000 and \$150,000

Auto Physical Damage - \$25,000 Deductible versus \$1,000

Excess Workers' Compensation - \$750,000 Self Insured Retention

Annual Premium: \$633,929

Package

Aggregate Limit \$2,000,000 versus \$3,000,000

Self Insured Retention \$200,000 versus \$100,000 and \$150,000

Auto Physical Damage - \$25,000 Deductible versus \$1,000

Annual Premium: \$500,727.95

Exhibit 2

Workers' Compensation

Guaranteed Cost versus Self Insured Retention

Estimated Dividends

2025 \$92,000

2026 \$230,000

2027 \$368,000

2028 \$505,000

2029 \$551,000

Annual Premium: \$993,704

CLIENT AUTHORIZATION TO BIND COVERAGE

City of Hammond

After careful consideration of your proposal presented by Stiel Insurance Services, subject to the following exceptions/changes, we accept your insurance program for the named coverages:

Proposed Coverages / Coverage Term:

Commercial Package	05/01/2024 to 05/01/2025
Automobile (Fire Units)	05/01/2024 to 05/01/2025
Excess Workers' Compensation	05/01/2024 to 05/01/2025
Airport Liability	05/01/2024 to 05/01/2025
Blanket Bond	05/01/2024 to 05/01/2025
Revenue Supervisor Bond	05/01/2024 to 05/01/2025
Workers' Compensation Bond	05/01/2024 to 05/01/2025
Property	05/01/2024 to 05/01/2025
Equipment	05/01/2024 to 05/01/2025

_____ **Bind All Coverages as quoted,**

Except as listed below:

IMPORTANT: The proposal is an outline of the coverages proposed by the insurers, based on the information provided by your company. It does not include all terms, coverages, exclusions, limitations, conditions of the actual contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

**Please note that signing this document does not immediately bind coverage. You will receive notification from us in the form of a binder or confirmation of insurance that will show when coverage is effective.

Client Signature

Date

EXHIBIT 1

City of Hammond
Property Quotes Eff. 5.1.24-25

Values		Property Premiums Incl T&F (excl TRIA)		Rate per \$100	
Expiring	Renewal	Expiring	Renewal	Expiring	Renewal
\$39,141,700	\$46,250,105	\$273,533.00	\$435,240.20	\$0.6988	\$0.8865
Difference in TIV =	18%	Difference in Premium =	59%	Difference in Rate =	27%

2024 Market Participation
Option 2

Company	Percentage	Limits	Pure Premium	Carrier Fee	LA Surplus Lines Tax 4.85%	Broker Fee	Total Incl Fees	Rate per \$100 Pure Premium
\$10,000,000 All Risk INCL Wind Excl FL & EQ/ \$50,000 WDR Sublimit								
Velocity	50.00%	\$5,000,000	\$150,000.00	\$2,200.00	\$7,381.70	\$500.00	\$160,081.70	0.3243
Munich Re (Bridgeway)	50.00%	\$5,000,000	\$151,000.00	N/A	\$7,323.50	\$500.00	\$158,823.50	0.3243
Total:	100.00%	\$10,000,000	\$301,000.00	\$2,200.00	\$14,705.20	\$1,000.00	\$318,905.20	
\$5,000,000 XS \$10,000,000 All Risk INCL Wind Excl FL & EQ								
Markel (Evanston)	100.00%	\$5,000,000	\$40,000.00	N/A	\$1,940.00	\$500.00	\$42,440.00	0.0865
Total:	100.00%	\$5,000,000	\$40,000.00	\$0.00	\$1,940.00	\$500.00	\$42,440.00	
TIV xs \$15M All Risk EXCL NAMED Wind/Hail								
RSUI (Landmark)	100.00%	\$31,250,105	\$70,000.00	N/A	\$3,395.00	\$500.00	\$73,895.00	0.1514
Total:	100.00%	\$31,250,105	\$70,000.00	\$0.00	\$3,395.00	\$500.00	\$73,895.00	
		\$46,250,105	\$411,000.00	\$2,200.00	\$20,040.20	\$2,000.00	\$435,240.20	0.8865

Stand-alone Terrorism - 2 options

Company	Percentage	Limits	Pure Premium	Carrier Fee	LA Surplus Lines Tax 4.85%	Broker Fee	Total Incl Fees	Rate per \$100 Pure Premium
Hamilton - \$5K Ded	100.00%	\$46,250,105	\$8,500	N/A	\$412.25	\$500.00	\$9,412	0.0184
Hamilton - \$25K Ded	100.00%	\$25,000,000	\$5,500	N/A	\$266.75	\$500.00	\$6,267	0.0119

EXHIBIT 2

Your Workers' Compensation Insurance Proposal

PREPARED BY



AND

STIEL INSURANCE NORTHSORE INC dba STIEL INS

FOR

CITY OF HAMMOND



Corporate Headquarters
2237 South Acadian Thruway
Baton Rouge, LA 70808
225-924-7788

lwcc.com
interactive.lwcc.com



Bettering Louisiana one business and worker at a time.

JOANN LANDRY
STIEL INSURANCE NORTHSORE INC dba STIEL INS
P.O. Box 399
Hammond, LA, 70404

Re: CITY OF HAMMOND
Effective Date: 05/01/2024
Expiration Date: 05/01/2025

Dear: JOANN LANDRY,

We are pleased to offer our proposal for workers' compensation and employer's liability insurance for **CITY OF HAMMOND**

1. The workers' compensation insurance proposed herein is in accordance with the workers' compensation law of the state of Louisiana.
2. Employer's liability insurance will apply to the work in the state of Louisiana, subject to the following limits of our liability:

Bodily Injury by Accident—Each Accident	\$1,000,000
Bodily Injury by Disease—Policy Limit	\$1,000,000
Bodily Injury by Disease—Each Employee	\$1,000,000

3. The estimated premiums, taxes and/or assessments for this insurance are as proposed below, based on the classifications and payroll projections provided in the application for insurance. If LWCC obtains information from an audit or a safety services visit that requires us to amend our classifications and/or payrolls, we will endorse the policy accordingly. LWCC must be informed of any material change in the employer's operations or any change that requires other classifications to be used to determine policy premium.

The estimated annual premium is: **\$993,704.00**

4. The final policy premium, taxes and/or assessments will be determined by an audit of the policyholder's records.
5. Experience Modification:
If the rating bureau revises the modification for this policy period, we will apply the newly promulgated modification to the policy, and it will affect the employer's premium.
6. Payment Plan

Billing Plan	Down Payment	Next Installments	Number of Installments
Monthly Payroll Reporting	\$248,426.00	\$0.00	0
Annual Payment	\$993,704.00	\$0.00	0
10% down, 9 equal installments	\$99,370.40	\$99,370.40	9
Three-Payment Plan	\$337,859.36	\$327,922.32	2
Four-Payment Plan	\$248,426.00	\$248,426.00	3

Bettering Louisiana one business and worker at a time.

7. This proposal is valid and can be bound until 12:01 a.m. of the effective date referenced above.

8. Endorsements:

WC 00 00 01B - Policy Information Page

WC 00 00 00C - Workers Compensation and Employers Liability Insurance Policy

LWCC 4 - General Endorsement

LWCC 13A - Limited Other States Endorsement

LWCC 38C - Premium Obligations Endorsement

WC 00 04 14 - Notification of Change in Ownership Endorsement

WC 00 04 21F - Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement

WC 00 04 22C - Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement

LWCC 17 06 01J - Louisiana Amendatory Endorsement

LWCC 9091 - Standard Notice of Compliance

LWCC strives to offer the highest quality service at the lowest possible cost. We appreciate the opportunity to work with you on this account and stand ready to answer your questions or discuss this quote with you.

Sincerely yours,

Donna Duhe-Jaufre

Underwriter

LWCC

Rating Summary

PROPOSAL TIME: 03/12/2024 08:43:37

APPLICATION NUMBER: 0000027359

QUOTE NUMBER: 6716235

NAMED INSURED: CITY OF HAMMOND

EFFECTIVE DATE: 05/01/2024

EXPIRATION DATE: 05/01/2025

FEIN: 720573539

PROGRAM: ACCEPTED RISK PROGRAM

MAILING ADDRESS: 310 E CHARLES ST, HAMMOND, LA, 70401

PRIMARY ADDRESS: 310 E CHARLES ST, HAMMOND, LA, 70401

Estimated Premium

Class Code	Description	Rate	Exposure	Premium
0042	Landscape Gardening & Drivers	8.09	\$640,000.00	\$51,776.00
5506	Street or Road Construction: Paving or Repair & Drivers	9.43	\$752,000.00	\$70,914.00
7403	Aviation - All Other Employees & Drivers	4.79	\$204,000.00	\$9,772.00
7520	Waterworks Operation & Drivers	5.48	\$790,000.00	\$43,292.00
7580	Sewage Disposal Plant Operation & Drivers	5.51	\$281,000.00	\$15,483.00
7710	Firefighters & Drivers	10.21	\$3,770,000.00	\$384,917.00
7720	Police Officers & Drivers	6.08	\$6,232,000.00	\$378,906.00
8391	Automobile Repair Shop & Parts Department Employees, Drivers	3.03	\$130,994.00	\$3,969.00
8810	Clerical Office Employees NOC	0.26	\$2,100,000.00	\$5,460.00
9102	Park NOC - All Employees & Drivers	4.74	\$202,000.00	\$9,575.00

Bettering Louisiana one business and worker at a time.

9410	Municipal, Township or State Employee NOC	3.92	\$321,088.00	\$12,587.00
	Total Exposure		\$15,423,082. 00	
	Total Manual Premium			\$986,651.00
	Employers Liability Limits			\$13,813.00
9887	Schedule Rating Premium			-\$10,005.00
	Expense Constant			\$160.00
	Foreign Terrorism			\$3,085.00
	Net Estimated Annual Premium			\$993,704.00
	Quote minimum premium			\$2,220.00

Notice of Terrorism Insurance Coverage

You are hereby notified that, under the Terrorism Risk Insurance Program Reauthorization Act of 2019, you are entitled to insurance coverage for losses arising out of acts of terrorism as defined in the Act.

Should you bind coverage, your policy will have a terrorism endorsement that explains the coverage provided and any restrictions.

Effective 5/1/2024

City of Hammond



Self-insurance originated for a reason

- Carriers were leaving the market
- Increasing rates made workers' comp unaffordable



**The reason for self-insurance
no longer exists**

Estimated Total Costs Under Self-Insured Program

City of Hammond

Category	Cost
Average Incurred Loss	610K
Loss Based Assessments	51K
TPA	50K
Excess	155K
Total Cost	866K



Losses will fluctuate year to year but have averaged ~\$610K per year



Excess is becoming more expensive with higher limits

Estimated Costs With LWCC

City of Hammond

Category	Year 1
LWCC Premium	994K
Dividend Estimate	92K
Net Cost	902K

← Dividend is earned beginning year 1

As a private mutual company, LWCC has returned more than \$1.25 billion in dividends to our policyholders. While dividends can't be guaranteed, we have issued a dividend every year since 2003.

Key Insights:

City of Hammond will be eligible to receive their first dividend in April of 2025

Estimated Costs With LWCC

City of Hammond

Category	Year 1	Year 2
LWCC Premium	994K	994K
Dividend Estimate	92K	230K
Net Cost	902K	764K



Projections assume payroll will remain flat

As a private mutual company, LWCC has returned more than \$1.25 billion in dividends to our policyholders. While dividends can't be guaranteed, we have issued a dividend every year since 2003.

Key Insights:

A guaranteed cost option offers a known cost

By year 2, City of Hammond could save over \$100K

Estimated Costs With LWCC

City of Hammond

Category	Year 1	Year 2	Year 3
LWCC Premium	994K	994K	994K
Dividend Estimate	92K	230K	368K
Net Cost	902K	764K	626K

As a private mutual company, LWCC has returned more than \$1.25 billion in dividends to our policyholders. While dividends can't be guaranteed, we have issued a dividend every year since 2003.

Key Insights:

Though we're showing constant premium here, LWCC's rates have decreased by ~5% in each of the last five years and are expected to continue the downward trend

By year 3, City of Hammond could save over \$240K

Estimated Costs With LWCC

City of Hammond

Category	Year 1	Year 2	Year 3	Year 4	Year 5
LWCC Premium	994K	994K	994K	994K	994K
Dividend Estimate	92K	230K	368K	505K	551K
Net Cost	902K	764K	626K	489K	443K



Best estimate of costs going forward

As a private mutual company, LWCC has returned more than \$1.25 billion in dividends to our policyholders. While dividends can't be guaranteed, we have issued a dividend every year since 2003.

Key Insights:

By year 5, City of Hammond could be saving more than 40% compared to the current self-insured program

LWCC Compared to Self-Insured Option

City of Hammond

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
LWCC Net Cost	902K	764K	626K	489K	443K	3.2M
Self-Insured Total Cost	866K	870K	875K	880K	885K	4.4M
Difference	36K	-106K	-249K	-391K	-442K	-1.2M

As a private mutual company, LWCC has returned more than \$1.25 billion in dividends to our policyholders. While dividends can't be guaranteed, we have issued a dividend every year since 2003.

Key Insights:

Over the first 5 years, City of Hammond could save over \$1.1M and over \$440K each year thereafter

A win for every stakeholder group

Summary & takeaways

The Policyholder

- The original reasons for self insurance are no longer relevant
- Realized cost savings and efficiencies
- Dividend eligibility in year 1
- Known cash flow and full coverage product
- Allows teams to focus on the business while LWCC's experts manage the claims
- Removes trickiness of complying with financial reporting standards
- Access to LWCC's legal and safety experts
- Return of required security deposit from OWC (if applicable)
- Eliminate annual self-insured recertification process

A win for every stakeholder group

Summary & takeaways

The Policyholder
The Injured Worker

- LWCC's safety consultants train and educate workforce to keep them safe
- Claims are overseen by LWCC's in-house experts
- Access to prompt and high-quality medical care through LWCC's specialized network of OMNET providers and pharmacy program
- LWCC's early intervention return to work program
- Unique programs for the most vulnerable injured workers and their families



Thank you!

LWCC[®]
LOUISIANA LOYAL

lwcc.com
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Baton Rouge, LA 70808