

# Workers' Compensation Coverage

Changing Vendors from Montana Municipal Interlocal Authority  
to

Marsh McLennan Agency/Montana State Fund

Dale Bickell – CAO and Angela Simonson - CHRO

# Request to Committee

Approve and Authorize the Mayor to sign a service agreement with Marsh McLennan Agency / Montana State Fund (MMA/MSF) to provide our workers compensation coverage and risk management services beginning July 1, 2024.

# What is Workers' Compensation (WC) Coverage



EMPLOYERS ARE REQUIRED TO PROVIDE  
COVERAGE FOR INJURED WORKERS.



COVERAGE PROVIDES MEDICAL AND  
WAGE LOSS BENEFITS FOR APPROVED  
WORKER RELATED INJURIES/ILLNESSES.

# City of Missoula History of WC Coverage

- WC was MMIA's first program due to a need for reasonably priced coverage, as a result of the commercial market choosing not to cover municipalities due to high risk.
- City of Missoula has been with the WC program since inception in 1986.

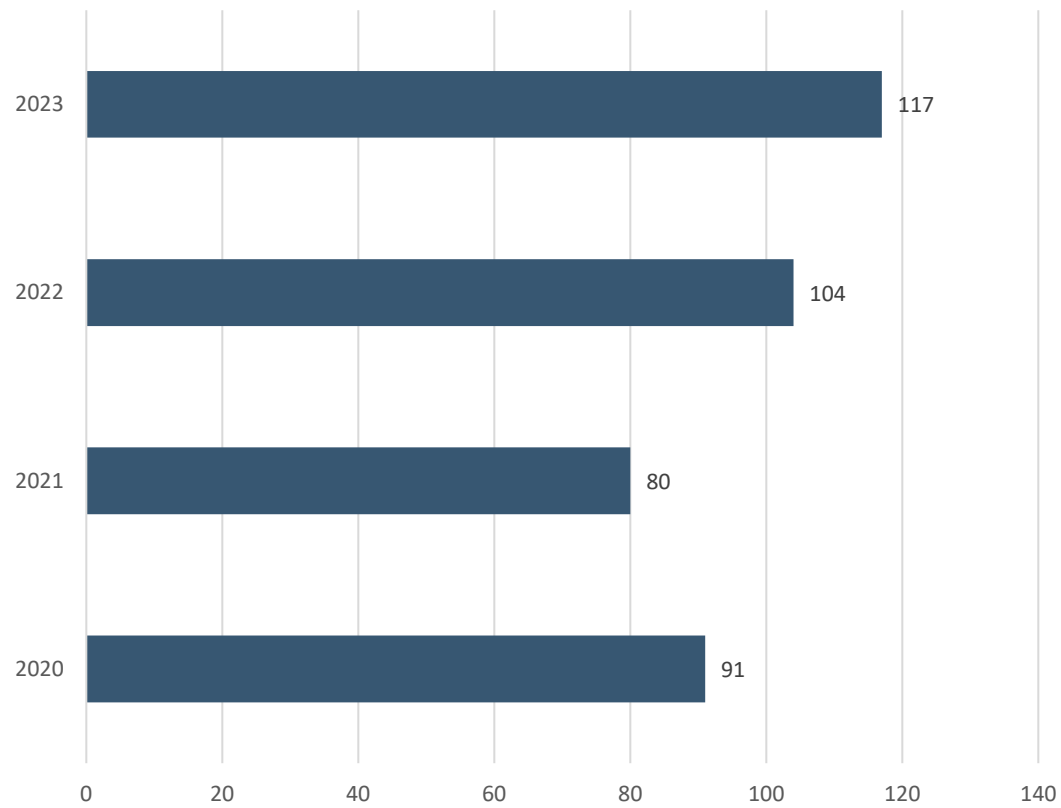
## History of Payments to MMIA:

Discounts began to be offered to members in 2021 to ensure all members, large or small, pay equitable share of fixed overhead costs.

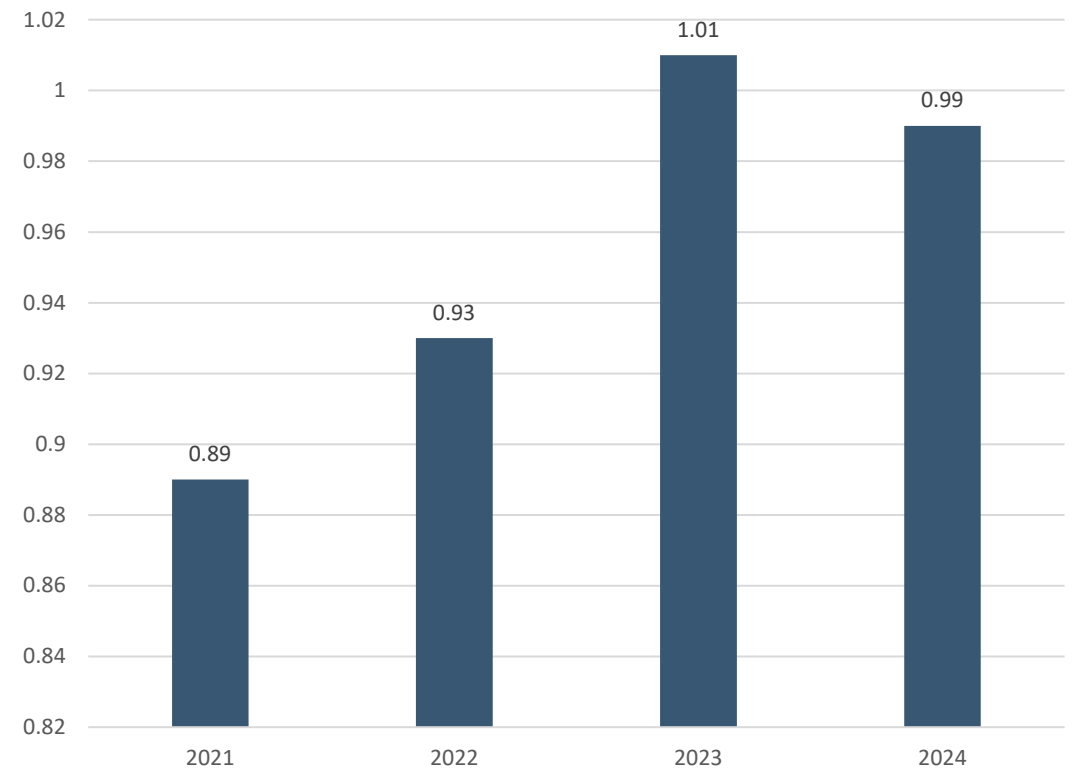
2024 YTD	\$1,099,898
2023	\$1,277,989
2022	\$1,193,724
2021	\$1,558,914
2020	\$1,827,837

# History Continued...

Claims



Mod Factor History  
Mod of 1.0 is Average



# Why Change Carriers?



AWARE THAT BOZEMAN LEFT MMIA  
WC PROGRAM LAST YEAR AND THAT  
THEY RECEIVED SIGNIFICANT SAVINGS.



INITIATED A RFP PROCESS



MMIA AND MMA/MSF SUBMITTED  
QUOTES FOR THE RFP PROCESS

# Illustrated Savings Per RFP Payroll Figures

	MMIA	MMA/MSF	Total Estimated Savings
Total Estimated Annual Cost	\$1,388,168	\$756,741	\$631,427 per year

WC premiums are based on six different classification code rates and calculated per \$100 of payroll on a quarterly basis. Rates from MMA/MSF are significantly less than the rates from MMIA in all listed codes.

These are estimates based on a past, full 12-month total payroll cost, using FY25 rates from each carrier. Actual costs will vary depending on actual payroll.

# Additional Services Provided by MMA/MSF

- More robust risk management services
  - Dedicated Safety Consultant
  - Online training modules
  - Assistance developing staff training and new hire orientation
  - Training tracking software
  - Job Description Tools
  - Fleet Safety
- Annual Dividend Payout





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