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Brown & Brown, Inc.

**EXCESS WORKERS'
COMPENSATION
INSURANCE PROPOSAL**

For

CITY OF MILPITAS

Effective: July 1, 2009

**Presented by:
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Senior Vice President**

May 21, 2009

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CITY OF MILPITAS

EXCESS WORKERS' COMPENSATION 7-1-09 TO 7-1-2010

	<u>RENEWAL 2008 / 2009</u>	<u>CURRENT 2009 / 2010</u>
COMPANY:	Safety National Casualty Corporation	Safety National Casualty Corporation
2008 BEST'S RATING:	A: X; Admitted	A: X; Admitted
LIMIT:	\$20,000,000 WC \$1,000,000 EL Per Occurrence/Aggregate	\$20,000,000 WC \$1,000,000 EL Per Occurrence/Aggregate
SELF-INSURED RETENTION (SIR):	\$750,000 \$1,000,000 Police and Fire	\$750,000 \$1,000,000 Police and Fire
PAYROLL:	\$43,542,849	\$43,575,333 (.07% Increase)
RATE:	.2960	.2710 (8.5% Decrease)
DEPOSIT PREMIUM:	*\$128,887	*\$118,089
MINIMUM PREMIUM	*\$128,887	*\$106,280

*Note: No State of California Insurance Guarantee Association (CIGA) surcharge will apply for 2008/2009 or 2009/2010.

NOTES / OPTIONS:

1. The following options are presented for your consideration:

- A. Increase the Workers Compensation limit to \$25,000,000. The rate is .2830. The Deposit Premium is \$123,318 and the Minimum Premium is \$110,986.
- B. See Additional Market Options

2. Using this year's payrolls (\$43,575,333) and last year's rates (.2960), the premium would have been \$128,983. This year's rate and this year's payroll produces a premium of \$118,089 (for a \$20,000,000 Limit) for a total savings of \$10,894 using Safety National Casualty Corporation.
3. The California Excess Workers' Compensation marketplace, due to past reforms (to some degree being eroded) continues to produce decreased rates.
4. Your rates for the current and past 18 years have been as follows:

2009 / 2010	.2710	\$20,000,000 Limit
2008 / 2009	.2960	\$20,000,000 Limit
2007 / 2008	.3939	\$5,000,000 Limit
2006 / 2007	.4113	\$5,000,000 Limit
2005 / 2006	.4244	\$1,000,000 Limit
2004 / 2005	.4610	\$1,000,000 Limit
2003 / 2004	.4424	\$1,000,000 Limit
2002 / 2003	.1782	\$1,000,000 Limit
2001 / 2002	.1107	\$1,000,000 Limit
2000 / 2001	.0923	\$1,000,000 Limit
1999 / 2000:	.0819	\$1,000,000 Limit
1998 / 1999:	.0851	\$1,000,000 Limit
1997 / 1998:	.1025	\$1,000,000 Limit
1996 / 1997:	.1126	\$1,000,000 Limit
1995 / 1996:	.1155	\$1,000,000 Limit
1994 / 1995:	.1247	\$1,000,000 Limit
1993 / 1994:	.1707	\$1,000,000 Limit
1992 / 1993:	.1909	\$1,000,000 Limit

6. The above deposit premiums are subject to an annual audit to determine the final premium.