



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: June 24, 2025

DATE: Monday, June 09, 2025

TO: Board of County Commissioners

FROM: Doreen Ertell, Sr. Risk Management Analyst, Risk Management Division
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THROUGH: Cathy Hill, Comptroller
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SUBJECT: Recommendation to authorize the Comptroller's Office to renew the Excess Workers' Compensation Insurance Policy with Safety National Casualty Corporation for a one-year term with an estimated annual cost of [\$389,107] effective July 1, 2025, and authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, funding from the Risk Management Fund source. Comptroller. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

Seeking Board authorization to renew the policies for Excess Workers' Compensation Insurance for an annual policy term effective date of July 1, 2025.

Washoe County Strategic Objective supported by this item: Stewardship of Our Community.

PREVIOUS ACTION

On June 25, 2024, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for a one-year term.

On June 27, 2023, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for a one-year term.

On June 28, 2022, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for a one-year term.

On June 29, 2021, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for a one-year term.

On June 23, 2020, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for the second year of a two-year policy term with annual premium installments.

AGENDA ITEM # _____

On June 25, 2019, the Board authorized the renewal of the Excess Worker's Compensation Insurance Policy for a two-year term with annual premium installments.

On June 19, 2018, the Board authorized the renewal of the above-mentioned coverage for a one-year term.

BACKGROUND

The County's broker is USI Insurance Services (USI). USI continues to provide brokerage and consulting services through its experienced, local team based in Reno. USI is one of the largest insurance brokerage and consulting firms in the world with local team members in Washoe County. They monitor changes in the marketplace and, when appropriate, solicit bids from qualified insurers.

Insurance Market Updates

The insurance market has shown signs of stabilization in several areas, with continued challenges in property, liability, professional risk and other lines. According to Swiss Re, insured natural catastrophe losses were around \$135 billion in 2024, up from \$95 and the fifth consecutive year with losses over \$100 billion. Overall, commercial insurance rates increased 3.75% on average in 2024, down from 4.56% in 2023. Within this trend, rates for auto and excess liability continue to see upward pressure while other lines have stabilized.

Excess Workers' Compensation Insurance.

Washoe County has been self-insured for workers' compensation since July 1, 1981. Nevada law requires any self-insured employer for workers' compensation to maintain a policy of excess insurance to protect the employer from large or catastrophic losses (NRS 616B.300, 5).

There are limited insurance markets for self-insured employers with presumptive benefit law exposures for emergency service personnel. The annual premium is estimated based on projected payroll currently capped at \$36,000 per employee. The renewal premium has been estimated at \$389,107 vs. the expiring term estimate of \$415,946 due to reduced payroll estimates for the next fiscal year.

The renewal policy maintains a self-insured retention of \$1.5 million per occurrence for all classes of employment, except for a self-insured retention of \$3.5 million per occurrence which applies to presumptive claims only. The lower \$1.5 million retention will continue to apply to all other non-presumptive occupational injuries.

The coverage offered by Safety National includes several important endorsements and extensions including aviation coverage, no late reporting penalty and waiver of subrogation when required by written contract or agreement.

Safety National is a leading specialty insurance and reinsurance provider. Serving thousands of customers nationwide for over 75 years, the company offers specialized expertise, flexible program and placement design, and unique claims proficiency. Safety National is a member of the Tokio Marine Group and is rated A++ (superior), with a Financial Size Category of XV by A.M. Best.

FISCAL IMPACT

The total annual cost for the recommended insurance renewals is:

Excess Workers' Compensation (Safety National):	\$389,107

Total Annual Renewal Cost:	\$389,107

The recommended renewal results in a decrease of \$26,839 from FY 2024/25 premiums, due to decreased payroll estimates from the County.

Funding for the Excess Workers' Compensation Insurance Policy renewal premium of [\$389,107] is available within the FY2026 adopted budget in the Risk Management Fund (619).

RECOMMENDATION

It is recommended that the Board of County Commissioners authorize the Comptroller's Office to renew the Excess Workers' Compensation Insurance Policy with Safety National for one year at a premium of [\$389,107], effective July 1, 2025, and authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, funding from the Risk Management Fund source.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

I move to authorize the Comptroller's Office to renew the Excess Workers' Compensation Insurance Policy with Safety National for one year at a premium of [\$389,107] effective July 1, 2025, authorize the Comptroller's Office to sign the applications and agreements necessary to bind coverage, funding from the Risk Management Fund source.