



Oregon Trail Insurance, LLC

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June 07, 2011

Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: Workers Compensation Renewal for July 1, 2011

Dear Nolan:

The attached renewal documents were available this morning and are being delivered now since they are pertinent to the insurance presentation next Monday evening. A rate comparison by classification is also enclosed.

As was anticipated, the Experience Modification Factor established by the National Commission on Compensation Insurance (NCCI) has been set at 1.51 for the upcoming policy period.

A significant and positive observation from the underwriter follows:

"I'm really pleased to see City's claim frequency is "as expected" this year. This has not been the case for many years."

This reference to frequency being "as expected" comes from the rate-making process as well as the Experience Modification Factor calculation formula and is based on size, type and classification codes for an account. In recent prior years this "expectation" has been exceeded.

There are two forms (marked) on the enclosure needing a signature and return to either our office or Saif prior to 7-10-2011:

1. Election Form for Annual Payroll Reporting Frequency - before July 1
2. Invoice & payment of the Annual Pre-Paid Premium - before July 10

I will mention these factors at the Council presentation next Monday.

Sincerely,

Jerry Frazier

CITY OF THE DALLES
Insurance Renewal Summary for July 1, 2011

2010 - 2011 Values/Deducts 2011 - 2012 Values/Deducts 2010 - 2011 Premiums 2011 - 2012 Premiums Notes
 Revised: 6-07-2011

PROPERTY	2010 - 2011 Values/Deducts	2011 - 2012 Values/Deducts	2010 - 2011 Premiums	2011 - 2012 Premiums	Notes
Buildings & Contents (Deductible)	\$88,664,372 \$5,000 Deduct	\$90,245,137 \$5,000 Deduct	\$75,675	\$78,388	Changes for 2011 renewal: Added Vista Reservoir Added Sorosis Pump Station Deleted 2nd Street Breezeway Deleted Hattenhauer Office Building
Scheduled Equipment (Deductible)	\$1,190,598 \$1,000 Deduct	\$1,190,598 \$1,000 Deduct	\$8,993	\$8,993	

AUTOMOBILE FLEET	2010 - 2011 Values/Deducts	2011 - 2012 Values/Deducts	2010 - 2011 Premiums	2011 - 2012 Premiums	Notes
Auto Liability Auto Physical Damage	\$5 Million \$500 Deductible	\$5 Million \$500 Deductible	\$15,948 \$10,457	\$17,664 \$11,243	In 2010: 91 vehicles; 74 with Physical Damage coverage In 2011: 92 vehicles; 75 with Physical Damage coverage

GENERAL LIABILITY	2010 - 2011 Values/Deducts	2011 - 2012 Values/Deducts	2010 - 2011 Premiums	2011 - 2012 Premiums	Notes
Includes Premises, Operations, Public Officials, Employment Practices	\$5 Million/Occurrence \$15 Million/Aggregate	\$5 Million/Occurrence \$15 Million/Aggregate	\$100,548	\$95,352	Based upon personal services payroll, water usage, materials and services costs, street/road miles, sewer line miles, # of paid and volunteer public safety personnel

CIS PREMIUM after credits are applied	\$181,773	\$174,837	Multi-Line Credit: \$6,349 2000/2002 Distribution Credit: \$30,454
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WORKERS COMPENSATION	2010 - 2011 Values/Deducts	2011 - 2012 Values/Deducts	2010 - 2011 Premiums	2011 - 2012 Premiums	Notes
Total Payroll	\$5,318,410	\$5,571,844	\$151,563	\$185,270	With Annual Pre-Pay Discount (4.0%)
Employers Liability Limit Experience Mod Factor	\$1 Million 1.26	\$1 Million 1.51			

CITY OF THE DALLES

Workers Compensation Rate Comparison - Saif: (2010 - 2011 vs. 2011 - 2012)

Class Code	Description	2010 - 2011		2011 - 2012		Rate Change (%)
		Rate	Rate	Rate	Rate	
5506	Street/Road Construction	\$ 8.13	\$ 8.06			-0.9%
7520	Waterworks Operation	\$ 4.20	\$ 3.72			-11.4%
7580	Sewage Disposal Plant Operations	\$ 3.62	\$ 2.98			-17.7%
7720	Police	\$ 3.17	\$ 3.12			-1.6%
8380	Vehicle Equipment Repair Shop	\$ 3.11	\$ 3.23			3.9%
8411	Police - Volunteer	\$ 0.83	\$ 0.78			-6.0%
8742	Field Representatives	\$ 0.31	\$ 0.31			0.0%
8810	Office Clerical	\$ 0.18	\$ 0.17			-5.6%
8810	Library/Museum-Public	\$ 0.18	\$ 0.17			-5.6%
8820	Attorney & Clerical	\$ 0.15	\$ 0.13			-13.3%
9015	Building Maintenance	\$ 3.28	\$ 3.28			0.0%
9410	Municipal Employees	\$ 1.57	\$ 1.65			5.1%
Payroll Basis		\$ 5,318,410	\$ 5,571,844			
Annual Premium with Annual Pre-Pay Discount		\$ 151,562	\$ 185,270			



CITY OF THE DALLES

Premium estimate for Guaranteed Cost Plan

Period: 07/01/2011 - 07/01/2012

Policy: 488236

Plan: 2

Class	Description	Payroll	Rate	Premium
5506	Street/Rd Const-Fnl Grad/Pve/Rep/Dr	\$408,393	8.06	\$32,916
7520	Waterworks Operation-Dr	\$846,684	3.72	\$31,497
7580	Sewage Disposal Plant Oper-Dr	\$438,452	2.98	\$13,066
7720	Police Officers & Dr	\$1,468,348	3.12	\$45,812
8380	City/County-Veh/Equip Repr Shop-Dr	\$45,851	3.23	\$1,481
8411	Vol Plcmn @ 2400/Qtr Ea	\$96,000	.78	\$749
8742	Field Representatives	\$214,595	.31	\$665
8810	Office Clerical	\$921,901	.17	\$1,567
8810	Library/Museum-Public-Prof Emp&Cler	\$406,401	.17	\$691
8820	Attorney & Cler/Messenger/Dr	\$227,012	.13	\$295
9015	Apartment House Operation-Dr	\$139,014	3.28	\$4,560
9410	Municipal/Twn/Cnty/State Emp-Noc	\$359,193	1.65	\$5,927
5507	Street/Rd Const-Rdbed/Subase-Dr	\$0	4.61	\$0
7720	Trapping-Forest Animals/Dr	\$0	3.12	\$0
9102	Park Noc-All Employees & Dr	\$0	3.88	\$0
9402	Snow Removal-Streets/Roads-Dr	\$0	5.82	\$0
9403	Garbage/Ash/Refuse Collectn Dr	\$0	5.86	\$0
8810	Vol Library Prof Emp & Cler VOL@\$7.25/hour	\$0	.17	\$0

Total Payroll \$5,571,844

Manual Premium \$139,226

Part Two Coverage (Increased Limits Factor 1.011) + \$1,531

Subject Premium \$140,758

Experience Rating Modification x 1.51

Modified Premium \$212,544

Annual Prepay Discount (4.0%) - \$8,503

Standard Premium \$204,041

Premium Discount - \$30,917

Discounted Premium \$173,124

Terrorism Premium + \$557

Catastrophe Premium + \$557

DCBS Premium Assessment @ 6.4% + \$11,031

Total Premiums and Assessments \$185,270

Annual Prepay Installment \$185,270