

City Hall
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**Human Resources
City of Rochelle**

Memo

To: Dave Plyman, City Manager
From: Lynette D. Fischer, HR/Risk Manager
Date: September 18, 2012
Re: Additional Billing Due for IMLRMA Min/Max Contract Year 2009-10

The City has received an Additional Billing from IMLRMA, our provider of property/casualty/worker's compensation coverage, for the City's 2009-10 claims year.

As was authorized by City Council in November of 2009, the City continued its participation in the IMLRMA Minimum/Maximum insurance "pool" from Dec. 31, 2009 until Dec. 31, 2010. At the time of renewal authorization, we acknowledged that participation in the "pool" at a lower contribution amount came with the risk of additional monies coming due if the claims paid exceeded 120% of the loss fund. In this case, the maximum cost potential to the City is \$127,000. The amount due at this time, per the additional billing, is \$98,591.98.

There is one (1) particularly large worker's compensation claim (a serious, acute injury) that is still open and is being treated as a third party product liability case. This claim represents almost 90% of the additional billing. Once the case is in settlement negotiations, IMLRMA will seek reimbursement for its expenses through legal channels.

Should you have any questions, please don't hesitate to contact me at ext. 2054.