

# DFIT

DeLea Founders Insurance Trust

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## Town of Fenwick Island

**DeLea Founders Insurance Trust (DFIT)**

**Workers Compensation Program**

Renewal Proposal Sept.1st 2024- August 31st 2025

Presented by:

**Theresa DeSanto,**

DFIT Program Administrator;

Director, Public Sector- Strategic Insurance Partners



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# Renewal Comments

- An annual actuarial study was conducted by Sound Actuarial Consulting, LLC to determine the funding level for Program year 2024- 2025 and individual and group claims Experience Modifications.
- Total estimated fund premium for the DFIT fund year 9/1/24-25 will be **\$2,956,163**. This is about **11.4%** higher than fund year 9/1/23-24. Most of this increase was driven by an **8.7% increase in estimated payrolls for the upcoming year**. The balance of the increase was driven by claims development over the last few years.
- Due to claims development since the 9/1/20 fund year, the group average claims experience modification has increased by **+7.5%**; current policy year had also increased by 8% over prior policy year.
- PMA was able to settle several larger claims in recent months. Settling claims does reduce fund balances for the respective years where claims were incurred however, this also significantly reduces the likelihood of adverse development on those claims in future years. Settling claims typically has a positive impact on future funding requirements and excess insurance premiums..
- Class code rates for renewal policy year 2024-25 have reduced slightly- on average by approx. 4.6%
- ***At the end of each policy there will be an independent third party payroll audit*** (for this expiring policy year of 2023- 24) conducted around October by RLD to 'sure up' the actual payrolls used during the policy year. The audit may result in a debit or a credit of premium to an individual member. This amount would be due or returned once the audit is completed and verified.

## Cost Calculation for: Fenwick Island

Code	Description	Payroll	DFIT Manual Rate	Manual Premium
753	Waterworks	\$0	\$3.88	\$0
755	Electric Utility	\$0	\$1.72	\$0
890	Public Library	\$0	\$0.38	\$0
951	Outside Salespersons	\$85,000	\$0.37	\$315
953	Clerical	\$164,760	\$0.10	\$165
980	Cities & Towns	\$582,229	\$2.61	\$15,196
985	Police & Paid Firefighters	\$620,026	\$3.07	\$19,035
Totals:		\$1,452,015		\$34,710

Unmodified Manual Premium:	\$34,710
Experience Modification:	1.431
Modified Manual Premium:	\$49,670
Schedule Rating:	1.00
Estimated Annual DFIT Contribution:	\$49,670
Pro-Rata Factor (if any):	1.000
<b>Estimated Fund Year Contribution:</b>	<b>\$49,670</b>

# Dept. of Labor Self Insurance Privilege Tax Calculations

## Fenwick Island Self-Insurance Tax Calculation (DFIT)

Code	Description	Payroll	DE Manual Rate	Manual Premium
753	Waterworks	\$0	\$3.11	\$0
755	Electric Utility	\$0	\$1.08	\$0
890	Public Library	\$0	\$0.31	\$0
951	Outside Salespersons	\$85,000	\$0.30	\$255
953	Clerical	\$164,760	\$0.08	\$132
980	Cities & Towns	\$582,229	\$2.09	\$12,169
985	Police & Paid Firefighters	\$620,026	\$2.46	\$15,253
<b>Totals:</b>		<b>\$1,452,015</b>		<b>\$27,808</b>

Self-Insurance Privilege Tax Rate:	4.00%
Estimated Annual Self-Insurance Privilege Tax:	\$1,112.32
Pro-Rata Factor (if any):	1.000
<b>Estimated Fund Year Self-Insurance Tax</b>	<b>\$1,112.32</b>

# Renewal Instructions

- **Premiums are payable in full upon receipt of invoice, which will be issued by SIP's accounting department.**
- The Dept. of Labor self insured privilege taxes are collected and paid separately to the DOL. Payrolls for this tax will be requested separately from the DFIT Program payrolls and collected by SIP. .
- Certificates of coverage for the new policy year 2024- 25 will be issued to each Member by SIP.