

**WORKERS' COMPENSATION COST COMPARISON**

Variable	Explanation	CTSI	Glenwood Insurance/Pinn
Manual Premium	This is the base premium before any discounts, adjustments or modifications. This amount is determined by total payroll, classification codes, and rate per classification. Manual Premium = Sum of (payroll for classification ÷ 100) × Rate for Classification	\$784,574	\$869,055 (\$790,014 using 2023 payroll numbers)
Total Payroll	The total amount of payroll for all County employees. For statutory volunteers a specific amount is used, e.g. Search and Rescue is \$300.00 per volunteer (x 40) = \$12,000.00.	Uses 2023 numbers \$37,928,375	Uses 2025 numbers \$46,262,824
Rate for Job Classifications	Rates per classification are assigned by the National Council on Compensation Insurance and therefore the rates should be the same for each job classification. For example, clerical employees are around 0.12 per \$100 of payroll while sheriff's employees are around 3.80 per \$100 of payroll.	Contained in quote	Contained in quote
Modified or Estimated Premium	The modified or estimated premium is calculated based on the Manual Premium times the experience modification factor ( <i>E-Mod</i> ) or for CTSI the <i>Loss Rate Factor</i> .	\$721,808	\$732,648
Experience Modification Factor ( <i>E-Mod</i> )	Usually between 0.75 and 1.25. Value below 1.0 indicates a safer-than-average claims history, which results in a premium discount. Value above 1.0 indicates a higher-than-average claims history and results in a surcharge. This factor considers both the severity and frequency of claims.	N/A	0.88

Variable	Explanation	CTSI	Glenwood Insurance/Pinn
Loss Rate Factor	The Loss Rate Factor used by CTSI is between 0.92 and 1.07. The lowest factor of 0.92 is used for a Loss Rate of between zero and 0.71. The highest factor is 1.07 is used for a Loss Rate of between 1.0 and 2.0. The Loss Rate is calculated by dividing the County's percent of total loss for a three-year period (2020, 2021, 2022) by the County's percent of total manual premium for the same three-year period.	0.92	N/A
Loss Ratio	The Loss Ratio is the total of losses incurred (and adjustment expenses) divided by the total of the paid premiums. See attachment for nine-year history of the County's Loss Ratio.		
Deductibles	This is an option that is available to try and lower premium costs. CTSI's available deductible levels are \$150,000, \$175,00, and \$200,000. This works like the Self-Insured Retainer we currently have with CAPP. The benefit of a small deductible is the employer assumes responsibility for those minor claims, this may affect the overall E-Mod by reducing the frequency of claims. See Analysis provided by Pinnacol. See also attachment.	Small deductible not available. Large deductible option not economical.	Quote includes a \$2,000 option, which provides a \$46,060 discount.
Equity Distribution	This is the amount of money returned to counties by CTSI based on the County's total equity in the pool as a percentage of the Pool's total positive equity. In 2025 the Board determined to return \$3,000,000 equity; however, as of Nov. 1 they agreed to return \$4,000,000 of equity. See CTSI attachment for prior 9 years of Contributions and Equity Distributed.	\$249,136 (previously \$186,851)	N/A

Variable	Explanation	CTSI	Glenwood Insurance/Pinn
Loss Control Dividend	This program through Pinnacol and offers the County an option of paying an additional 5% of the premium fee for the opportunity to realize gains through a dividend if the County's loss ratio is 40% or less. See attached for historical loss ratio. This is based on only the prior year's loss ratio. Shows as Loss Control Surcharge in Pinnacol Quote.	N/A	Cost \$32,786
General Dividend	This is paid by Pinnacol to policyholders after they determine whether they have a surplus for the prior year. Garfield County would be eligible in 2027 based on 2025 total losses incurred and total premium paid.	N/A	N/A until 2027
Cost Containment Certification	This is a State of Colorado certification through the Colorado Department of Labor and Employment (CDLE) where employers are eligible for a 5% premium discount for having active and ongoing safety policies and practices that are followed, documented, and subject to CDLE reviews.	N/A	Not currently in the quote for this year.
<b>Bottom-line Premium</b>	This is the premium after equity distribution (from CTSI) or discounts (from Pinnacol/GI)	\$472,673	\$504,858 (zero deductible) \$502,347 (\$2,000 deductible plus ICLD) \$478,765 (\$2,000 deductible) \$460,547 (\$5,000 deductible)

## Historical Loss Ratio and Potential Deductible Costs

### Historical Loss Ratio:

2023 = Total incurred losses = \$146,256 ÷ total premium paid = \$596,631 = 0.245 or 25%

2022 = Total incurred losses = \$58,301 ÷ total premium paid = \$659,976 = 0.088 or 9%

2021 = Total incurred losses = \$126,687 ÷ total premium paid = \$726,672 = 0.174 or 18%

2020 = Total incurred losses = \$559,071 ÷ total premium paid = \$742,272 = 0.753 or 75%

2019 = Total incurred losses = \$560,257 ÷ total premium paid = \$683,610 = 0.820 or 82%

2018 = total incurred losses = \$125,904 ÷ total premium paid = \$666,656 = 0.189 or 19%

2017 = total incurred losses = \$350,681 ÷ total premium paid = \$578,669 = 0.606 or 61%

2016 = total incurred losses = \$600,695 ÷ total premium paid = \$602,307 = 0.997 or 100%

2015 = total incurred losses = \$505,055 ÷ total premium paid = \$627,434 = 0.805 or 81%

### Potential incurred costs at \$2,000 deductible

2023 – Total claims 56 – 3 indemnity claims = 53 only one medical claim was over \$2,000 at \$2,010. Total medical costs of 51 claims was \$15,227

2022 – Total claims 32 – 2 indemnity claims = 30 only one medical claim was over \$2,000 at \$2,782. Total medical costs of 29 claims was \$17,771

**County Workers' Compensation Pool  
Garfield County  
2024 CWCP Large Deductible Option-Demonstration**

Estimated Contribution Based on Deductible Level				
Deductible Level	Regular Member	\$150,000	\$175,000	\$200,000
Fixed Costs & Excess Insurance	205,131	205,131	205,131	205,131
Loss Fund Contribution	581,395	1,228,443	1,016,453	824,865
<b>Total Contribution to CWCP</b>	<b>\$786,526</b>	<b>\$1,433,574</b>	<b>\$1,221,584</b>	<b>\$1,029,996</b>
Average Losses Per Year in County's layer at deductible level	\$0	\$256,004	\$263,593	\$270,621
<b>CWCP Contribution plus Estimated County Loss (Budget Amount)</b>	<b>\$786,526</b>	<b>\$1,689,579</b>	<b>\$1,485,177</b>	<b>\$1,300,617</b>

Analysis of Losses at Deductible Levels (Losses in county layer)				
Claim No.	Total Incurred	Pool Amount of Loss over \$150,000	Pool Amount of Loss over \$175,000	Pool Amount of Loss over \$200,000
W205GAR056	1,347,523	1,197,523	1,172,523	1,147,523
W210GAR013	255,178	105,178	80,178	55,178
W210GAR077	1,020,030	870,030	845,030	820,030
W215GAR032	190,546	40,546	15,546	0
W216GAR027	151,779	1,779	0	0
W219GAR018	487,631	337,631	312,631	287,631
W220GAR008	389,229	239,229	214,229	189,229
	<b>\$3,841,916</b>	<b>\$2,791,916</b>	<b>\$2,640,137</b>	<b>\$2,499,591</b>

Loss Information by Policy Year				
Policy Year	Net Incurred	Incurred at \$150,000 Deductible	Incurred at \$175,000 Deductible	Incurred at \$200,000 Deductible
2004	78,511	78,511	78,511	78,511
2005	1,720,620	523,097	548,097	573,097
2006	272,679	272,679	272,679	272,679
2007	204,216	204,216	204,216	204,216
2008	256,572	256,572	256,572	256,572
2009	102,185	102,185	102,185	102,185
2010	1,568,629	593,421	643,421	693,421
2011	246,897	246,897	246,897	246,897
2012	177,708	177,708	177,708	177,708
2013	24,905	24,905	24,905	24,905
2014	226,175	226,175	226,175	226,175
2015	505,055	464,509	489,509	505,055
2016	600,695	598,916	600,695	600,695
2017	350,681	350,681	350,681	350,681
2018	125,904	125,904	125,904	125,904
2019	560,257	222,626	247,626	272,626
2020	559,071	319,842	344,842	369,842
2021	126,687	126,687	126,687	126,687
2022	58,301	58,301	58,301	58,301
2023	146,256	146,256	146,256	146,256
<b>County's Total</b>	<b>7,912,004</b>	<b>5,120,088</b>	<b>5,271,867</b>	<b>5,412,413</b>
<b>County's Average</b>	<b>395,600</b>	<b>256,004</b>	<b>263,593</b>	<b>270,621</b>

**Large Deductible Option Notes**

The county reimburses the pool up to the per claim deductible.  
The pool and the excess insurance carrier pay for losses greater than the county's deductible.  
The county places a deposit with the pool for payment of claims.  
The pool pays all claims on behalf of the county and sends monthly bills for reimbursement.  
The pool will pursue claim recoveries and credit the account.  
The county is entitled to all of the benefits available to the regular membership.  
Claims are handled in the same manner as if the county were not in the large deductible program.  
The pool retains all claims handling responsibility and activity.

Fixed Costs Include	
Loss Prevention Services	Brokerage Fees
Claims Management Fees	Pool Management Services
Legal, Audit, Actuarial	Directors' Expense
Excess Insurance	Division of Labor Tax