

RESOLUTION NO. 79-40

A RESOLUTION OF THE MUNICIPALITY OF MONROEVILLE
SUPPORTING THE ALLEGHENY LEAGUE OF MUNICIPALITIES'
RESOLUTION ON RISK MANAGEMENT AND POOLING FOR
WORKMEN'S COMPENSATION

- WHEREAS, base Workmen's Compensation rates for Municipalities have increased 500% from \$1.55 per \$100.00 of payroll costs in 1967 to \$7.76 today, and
- WHEREAS, the base salary of employees has increased to compound the total cost of Workmen's Compensation to an effective increase of 700% over the past 12 years, and
- WHEREAS, the National Cost-of-Living has increased only 102% during this same period, and
- WHEREAS, the rate making procedures by state law are controlled by the insurance industry without any input by municipal government which pays the rate, and
- WHEREAS, such rate making powers are controlled by the very industry which benefits by the rate making schemes which raises questions of propriety, self-dealing and collusion, particularly where the rates escalate in total disproportion to ordinary inflationary trends, and
- WHEREAS, municipal employee rates are comingled with rates for higher-risk employees in private industry resulting in higher municipal costs, and
- WHEREAS, other states have permitted municipal pooling of Workmen's Compensation funds and effected savings of 15% to 40% of taxpayers dollars, and
- WHEREAS, Pennsylvania municipalities have been informed that they are not permitted to join in municipal pools for self-insurance purposes and save thousands of tax dollars in excessive premium costs, all of which frustrates the intent of the Inter-Governmental Cooperation Act which is intended to provide for such pooling of municipal government resources to effect savings for taxpayers.
- NOW, THEREFORE, BE IT RESOLVED, AND IT HEREBY IS RESOLVED, that the Municipality of Monroeville hereby requests that the State Legislature conduct a full and complete investigation of the rate-making process of Workmen's Compensation and other municipal insurance areas in an effort to reduce the cost of insurance and reduce the expenditure of tax dollars.
- BE IT FURTHER RESOLVED, that the Legislature immediately provide remedial legislation so that municipalities may be permitted to pool their resources with other municipalities to provide savings to municipal government and to their taxpayers through joint self-insurance programs.

APPROVED AND ENACTED THIS 8th day of May, 1979.

(SEAL)

ATTEST:

MUNICIPALITY OF MONROEVILLE

S/ Marshall W. Bond
Municipal Manager

S/ Michael P. Lynch
Mayor

Entered in Legal Book May 16, 1979